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Letter dated 13 September 2006 from the Chairman of the Security Council Committee established pursuant to resolution 1572 (2004) concerning Côte d'Ivoire addressed to the President of the Security Council

On behalf of the Security Council Committee established pursuant to resolution 1572 (2004) concerning Côte d'Ivoire, and in accordance with paragraph 9 of Security Council resolution 1643 (2005), I have the honour to transmit herewith the report of the Group of Experts on Côte d'Ivoire (see annex).

I would appreciate it if the present letter and its annex were brought to the attention of the members of the Council.

(*Signed*) Adamantios Th. **Vassilakis**
Chairman
Security Council Committee established pursuant
to resolution 1572 (2004) concerning Côte d'Ivoire

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Annex

Letter dated 16 August 2006 from the Group of Experts on Côte d'Ivoire addressed to the Chairman of the Security Council Committee established pursuant to resolution 1572 (2004) concerning Côte d'Ivoire

The members of the Group of Experts established pursuant to resolution 1643 (2005) concerning Côte d'Ivoire have the honour to transmit herewith the final report of the Group, in accordance with paragraph 9 of Security Council resolution 1643 (2005).

(*Signed*) Alex **Vines**
Chairman

(*Signed*) Agim de **Bruycker**

(*Signed*) Christian **Dietrich**

(*Signed*) Oumar Diéye **Sidi**

(*Signed*) Nawa Raj **Silwal**

Report of the Group of Experts submitted pursuant to paragraph 9 of Security Council resolution 1643 (2005) concerning Côte d'Ivoire

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Abbreviations

APWe	Alliance patriotique de l'ethnie Wé
ASECNA	Agence pour la sécurité de la navigation aérienne en Afrique et à Madagascar
BIAO	Banque internationale pour l'Afrique occidentale
BICICI	Banque internationale pour le commerce et l'industrie en Côte d'Ivoire
BFA	Banque pour le financement de l'agriculture
BHCI	Banque de l'habitat de Côte d'Ivoire
BNI	Banque nationale d'investissement
COBACI	Compagnie bancaire de l'Atlantique Côte d'Ivoire
COJEP	Congrès panafricain des jeunes patriotes
COOPEC	Coopérative d'épargne et de crédit de Côte d'Ivoire
DMCC	Dubai Metals and Commodities Center
DNMP	National Department for the Production of Minerals
DDR	disarmament, demobilization and reintegration
ECOWAS	Economic Community of West African States
FDPCC	Fonds de développement et de promotion des activités des producteurs de café et de cacao
FACI	Force aérienne de Côte d'Ivoire
FANCI	Forces armées nationales de Côte d'Ivoire
FLGO	Mouvement ivoirien de libération Ouest de Côte d'Ivoire
FRC	Fonds de régulation et de contrôle
FRGO	Forces de résistance du Grand Ouest
GATL	Groupement aérienne de transport et de liaison
GCD	Ghana Consolidated Diamonds
GDP	gross domestic product
ICCO	International Cocoa Organization
ICO	International Coffee Organization
IMF	International Monetary Fund
JMAC	Joint Military Analysis Cell

KPCS	Kimberley Process Certificate Scheme
LBA	Licensed Buyer Agency
LBC	Licensed Buyer Company
PMMC	Precious Minerals Marketing Company
SGBCI	Société générale de banques en Côte d'Ivoire
SIB	Société ivoirienne de banque
SMI	Société des mines d'Ity
UNDP	United Nations Development Programme
UNMIL	United Nations Mission in Liberia
UNOCI	United Nations Operation in Côte d'Ivoire
UPRGO	Union patriotique de résistance du Grand Ouest

Summary

1. The Group found no evidence of gross violations of Security Council measures. There are a number of incidents that the Group believes do constitute violations and the Security Council Committee needs to urgently address them. The Group highlights a Burkina Faso end-user certificate 732 that it believes could be used to violate the sanctions.

Arms embargo and related material

2. The inspection process by the United Nations Operation in Côte d'Ivoire (UNOCI) must also be reviewed. The methodology, quality of inspections and follow-up are variable. Maintaining the status quo is potentially hazardous as it undermines the reputation of the Security Council and if there is a serious deterioration of the peace process the monitoring system could be easily circumnavigated.

Provision of military assistance, advice and training

3. A pro-Government militia group, LIMA FS led by the Sous-prefet Lieutenant Jean Oulai Delafosse appears to still maintain Liberians in its ranks. The Group believes this is a violation of the sanctions regime and that the Committee should urgently request details.

4. The Group has also verified that nationals of Belarus, the Russian Federation and probably Ukraine continue to provide hands-on assistance, advice and training to the Force aérienne de Côte d'Ivoire (FACI). In the case of Belarus, the Group shows that there is an active contract in 2006 with a state company — an allegation that Belarus denied in 2005 to the Group.

5. The continued maintenance and testing of a FACI Mil Mi-24 Hind attack helicopter is particularly worrying. This aircraft potentially poses a significant threat to peace and security. The Group of Experts believes such tests should be discontinued as preparation and maintenance of the aircraft for the test are embargo violations and deepen mistrust between the parties.

Military finance from natural resources

6. The Group believes that under Prime Minister Banny there has been an improvement in financial disclosure and expenditure transparency and that this has contributed to a tightening of expenditures including for defence and security.

7. An attempt to pursue reports that the quasi-fiscal coffee and cocoa agencies have been used to channel funds for off-budget security expenditures made little progress. The Fonds de développement et de promotion des activités des producteurs de café et de cacao (FDPCC) refused to provide the Group with details of its revenue and expenditures and the Fonds de régulation et de contrôle (FRC) did not respond to requests to meet the Group.

Diamond embargo

8. The Group concludes that Ivorian rough diamonds are being exported in violation of the United Nations embargo. They initially transit Ghana and Mali prior to entering the international markets. The Group recommends that the Government

of Ghana create a credible system of internal controls for rough diamonds. The Group also recommends that the Government of Mali take effective measures to prevent illegal smuggling of diamonds into its territory from Côte d'Ivoire.

9. Ghana and Mali illustrate that poor internal controls are a regional problem and the Group recommends that this is made a key agenda item at the forthcoming Kimberley plenary meeting in Botswana in November 2006. International trading centres need also to introduce a better system of identifying suspicious shipments of rough diamonds. Such a system would need specialized personnel who can conduct proactive investigation and monitoring to prevent conflict diamonds entering the market.

10. The Group also investigated the production of Ivorian rough diamonds and recommends that the UNOCI in Séguéla conduct regular inspections of Bobi dyke and its vicinity to verify if heavy machinery is employed to exploit the diamond mines.

Targeted individuals

11. The targeting of three Ivorian individuals in February 2006 appeared at the time to have had a calming affect. The targeting of additional individuals by the Security Council Committee without effective monitoring and compliance systems in place by States neighbouring Côte d'Ivoire could be counter-productive. The Group found that neighbouring States had not disseminated information about the targeted three Ivorians to their local authorities at border posts at the time of the Group's inspection.

12. The Chairman of the Security Council Committee may wish to meet the targeted three when he next visits Côte d'Ivoire.

I. Introduction

13. Under Security Council resolution 1643 (2005) of 15 December 2005, the Council renewed for a second year until 15 December 2006 an embargo on arms and related material and the provision of assistance, advice and training, and financing, including from natural resources for military activities in Côte d'Ivoire. This resolution also sanctioned for the first time the export of rough diamonds from Côte d'Ivoire. On 7 February 2006, the Security Council Committee concerning Côte d'Ivoire approved a list of three individuals subject to an assets freeze and travel ban.

14. On 27 February 2006, the Secretary-General announced the appointment of five experts (S/2006/135) for six months to evaluate information gathered by the United Nations Operation in Côte d'Ivoire (UNOCI) and the French forces (Licorne) which support it; to investigate all relevant information in Côte d'Ivoire, countries of the region and, as necessary, other countries, on flows of arms and related material; and to investigate the export of diamonds from Côte d'Ivoire and violations of the targeted sanctions on three individuals. This is the official report of the Group of Experts and it includes its findings and observations. It updates the Group's previous reports of 18 July 2005 (S/2005/470), 7 November 2005 (S/2005/699) and 31 March 2006 (S/2006/204).

Methodology of the investigation

15. The Group of Experts sought fully authenticated documentary evidence. Where this was not possible, the Group required at least two credible and verifiably independent sources of information to substantiate a finding.

16. The Group has investigated a number of cases to establish if any violations of Security Council sanctions occurred. Allegations against States, individuals and enterprises have been put to those concerned where possible, to allow them the right to reply. The Group sought direction from the Security Council Committee on definition of the embargo by writing to it on 12 April 2006 and received a reply on 13 June 2006.

17. In its reply the Committee reported that during its 9th meeting held on 17 May 2006 it considered the issues raised by the Group. With respect to the maintenance and procurement of spare parts for the An-12 aircraft and Puma helicopters operated by the Force aérienne de Côte d'Ivoire, the Committee noted that such aircraft are normally intended for civilian use. However, their modification for military use would be considered as a violation of the arms embargo. The same principle would apply to the presence of foreign nationals in Côte d'Ivoire providing advice for maintaining the aircraft, and the import of 4x4 vehicles to Côte d'Ivoire. The members of the committee expressed their view that the import of military uniforms did not contravene the relevant measures, although items such as holsters, assault vests and pistol belts may.

18. The Group began its mandate in mid-March 2006 and consulted with the Committee soon afterwards in New York on 23 March. The Group returned to New York for a mid-term consultation with the Committee on 14 June 2006. As required under resolution 1643 (2005), the Group has regularly updated the Committee on its activities by providing ten informal progress reports.

19. The Group also met with Licorne in Côte d'Ivoire, as required by resolution 1643 (2005), and was fully briefed by them on their efforts to monitor the embargo. Likewise, the Group cooperated with other relevant Groups of Experts such as those conducting joint missions in May 2006 to Senegal with the Democratic Republic of the Congo Group (resolution 1654 (2006)) and in Liberia with the Liberia Group (resolution 1647 (2005)) and conducting investigations on behalf of the Liberia Group in Ghana and in western Côte d'Ivoire.

20. During its mandate, the Group held meetings with other United Nations agencies, States, and individuals in New York and visited Côte d'Ivoire, Belgium, Brazil, Burkina Faso, Canada, Egypt, France, the Gambia, Ghana, Guinea, Israel, Lebanon, Liberia, Mali, the Netherlands, Nigeria, Portugal, Senegal, South Africa, Switzerland, Togo, the United Arab Emirates, the United Kingdom of Great Britain and Northern Ireland and the United States of America.

21. The priority of the Group was Côte d'Ivoire and it liaised closely with the political, police and military branches of UNOCI. During its mandate the Group travelled widely in Côte d'Ivoire, visiting Abidjan, Bouaké, Boundiali, Elubo, Daloa, Danané, Ferkessédougou, Grand Lahou, Guiglo, Korhogo, Man, Odienné, San Pedro, Sassandra, Séguéla, Tabou, Toulépleu, and Yamoussoukro. From late June until 12 August 2006 the Group had an almost continuous presence in Côte d'Ivoire.

II. Political developments

22. The Ivorian political process is inextricably intertwined with the demobilization and disarmament (DDR) process as highlighted by the seventh, eighth and ninth progress reports of the Secretary-General on UNOCI (S/2006/2, S/2006/222 and S/2006/532).

23. At the beginning of 2006, there was a serious deterioration of the peace process for several months. From 15 to 20 January 2006, the Young Patriots organized violent demonstrations in Abidjan and in western areas of the country ostensibly to protest against a communiqué issued by the International Working Group at its third meeting held in Abidjan on 15 January 2006. The demonstrations represented a breach of Security Council resolution 1643 (2005), as well as the Presidential decree of 12 December 2005 banning any street demonstrations. The virulent anti-United Nations propaganda and incitement to violence, especially on the Radio télévision ivoirienne (RTI) and local radio networks resulted in the extensive looting and destruction of assets and property of United Nations and humanitarian agencies in the western towns of Daloa, San Pedro and most seriously in Guiglo. In Guiglo, mobs incited by hate media attacked UNOCI troops, forcing them to use their rules of engagement, which led to the death of five persons and UNOCI's temporary withdrawal from Guiglo and other camps in the west, which were then looted. The Secretary-General has written to President Gbagbo, requesting the Ivorian authorities to reimburse the United Nations for the resulting damage, estimated at $3.6 million.

24. On 6 February 2006 the Security Council adopted resolution 1657 (2006) redeploying one infantry company from UNMIL to UNOCI until 31 March 2006, in order to provide extra security coverage for United Nations personnel and property. On 7 February 2006 the Security Council Committee established pursuant to

resolution 1572 (2004) targeted sanctions on two leaders of the Young Patriots, Charles Blé Goudé and Eugène Djué, as well as the Zone Commander of the Forces nouvelles in Korhogo, Fofié Kouakou. While the latter was not involved in the events that affected Abidjan in mid-January, he was considered responsible for the recruitment of child soldiers, forced labour, arbitrary arrests and gross human rights abuses committed by forces under his control. In contrast to earlier threats to unleash a new wave of violence against United Nations personnel and property, the leaders of the Young Patriots called on their followers not to react.

25. From 19 March 2006, redeployment of UNOCI military forces in the west commenced and by May presence was restored in Guiglo. During the April to August 2006 mandate period of this Group, the political situation in Côte d'Ivoire remained unpredictable.

26. There was a sense of progress with the deployment of mobile courts to receive citizenship applications, restoration of State administration and preparation for elections. By 1 August 2006, there were 25 mobile courts operating, resulting in judgments for 14,346 Ivorians and 749 non-citizens. Restoration of State administration has also been slow. Of an estimated displaced 24,437 civil servants from the north, 1,012 had been redeployed there by 31 July 2006.

27. Côte d'Ivoire's faltering peace process appeared to be in trouble again in August following a televised address by President Gbagbo on 6 August 2006 in which he claimed the issuing of identity papers was unconstitutional. The Security Council issued a presidential statement the following day (S/PRST/2006/37) on the deteriorating situation and on 8 August 2006 the Forces nouvelles pulled out of scheduled disarmament talks saying they had been betrayed over the identification process.

III. Arms and disarmament

A. International and regional initiatives to control small arms

28. The Group participated in international initiatives to combat the proliferation of small arms and light weapons. In April 2006 a member of the Group participated in an experts meeting hosted by the Small Arms Unit of the Economic Community of West African States (ECOWAS) Secretariat in Abuja, Nigeria, which was tasked to comment on a draft for a binding regional convention to stop the proliferation of Small Arms and Light Weapons in the region. This consultation fed into a process that culminated in the Convention's adoption at the thirtieth ordinary summit of ECOWAS Heads of State and Government on 14 June 2006 in Abuja. Among the various provisions of the Convention are mechanisms for tightening control over the inflow of light weapons into the region. This includes the manufacture and individual ownership of such arms, the establishment of a group of independent experts to assist ECOWAS in monitoring implementation and the development by ECOWAS with UNDP support of an operational plan of action for the programme.

29. A member of the Group also attended the United Nations Conference to review the implementation of the Programme of Action on the illicit trade in small arms and light weapons on 5 July 2006 in New York, providing the Group an opportunity to obtain and share information relevant to its mandate including on illicit brokering.

B. End-user certificate 732

30. End-user certificates are intended to be official shopping lists for arms and ammunition but are easy to forge. In July 2006, the Group obtained a copy of an end-user certificate for the purchase of 450,000 rounds of ammunition and 200 RPG-7 rockets that was circulating among brokers in eastern Europe (see annex II). This document — end-user certificate 732 (EUC 732) — claims to be issued by Burkina Faso on 13 June 2005. It is of interest to the Group because it resembles another Burkina end-user certificate issued on the same day with a different number (EUC MS/724) but same reference number 0123/SECU/CAB. This second end-user certificate was drawn up for the procurement of arms and ammunition through an internationally recognizable broker in Romania. Both are signed by the Minister of Security of Burkina Faso, Djibrill Yipene Bassole.

31. Although the Government of Burkina Faso confirms that end-user certificate 732 is authentic, the Group believes it is unlikely that two end-user certificates could be issued on the same day with a significant number discrepancy. end-user certificate 732 is also suspicious because it names an Ukrainian-Hungarian company, IVH Trading Ltd, as the official broker.

32. From July 2003, IVH Trading Ltd provided Ukrainian security consultants to the Ministry of Defence of Côte d'Ivoire. An investigation of IVH Trading Limited established that it is Ukrainian but with a bank account in Hungary. It is linked to a Hungarian company, Ivory Hill Trading Limited, which was registered in Budapest on 5 December 2002 and began operation on 7 March 2003. Ivory Hill Trading Limited claims to trade in "food, tobacco, alcohol, mixed and miscellaneous products; trading in timber, building materials; trading in ore and metal; business advising". According to the Hungarian authorities, Ivory Hill Trading Limited never received a licence in Hungary to export, import or perform brokering activities.

33. The registration document of Ivory Hill Trading Limited says that TING Ltd in Victoria, the Seychelles, is a member of the company. TING Ltd was incorporated on 4 December 2002 but was struck off the Seychelles corporate register in January 2005. There is also a Ukrainian member of the company based in Kiev, linked to Segiy Kirichuk. According to the Government of Ukraine, Segiy Kirichuk (born 13 October 1959 in Karamatorsk) is the director of IVH Trading Limited and a former serviceman and retired Lieutenant Colonel of the SU-25 flight command.

34. Investigation into IVH Trading Ltd and its Hungarian sister company continue in Ukraine and Seychelles. The Group believes end-user certificate 732 is a fake number and not an official document, using the heading and signature of an authentic Burkinabe end-user certificate. The actual client for the ammunition indicated in end-user certificate 732 is unknown and needs to be thoroughly investigated. This document could indicate an intention to violate United Nations sanctions.

C. Disarmament

35. The disarmament of the Forces nouvelles and some FANCI forces is a key element in preparation for United Nations-monitored elections along with identification of eligible voters. Demobilization of some 33,000 Forces nouvelles,

5,500 regular FANCI troops, up to 10,000 unarmed and 2,000 armed members of militias affiliated with the Front populaire ivoirien (FPI) is scheduled.

36. The pre-cantonment of FANCI and Forces nouvelles was launched on 22 May 2006. Thirty-five sites have been designated for FANCI and 50 sites for the Forces nouvelles. According to the Forces nouvelles they completed their pre-cantonment on 4 July 2006 with 33,049 combatants although this has not been independently verified.

37. From the outset, logistical and political problems have hampered the pre-cantonment process, which constitutes the first step in the DDR process and should be followed by the cantonment and collection of weapons from the combatants. However, the Forces nouvelles have insisted that the identification of the entire population including combatants must take place prior to collection of weapons. For its part, FANCI has maintained that identification of combatants should be conducted at the pre-cantonment stage. FANCI and the Forces nouvelles are to submit lists of their soldiers who have withdrawn from the front lines to assembly points in readiness for disarmament by 7 August 2006. These lists were to be checked by United Nations and French peacekeepers the following day. However, as is so often the case in this process, another political crisis has impeded progress and another deadline has been missed.

38. The cost of the DDR programme is estimated at $150 million, out of which $140 million has been pledged (including $80 million pledged by the World Bank, which will be released if and when Côte d'Ivoire pays its arrears to the Bank). The budget for dismantling and disarming the militia is $2.5 million.

D. Dismantling of the militias

39. A priority has been the dismantling and disarmament of the militias affiliated with the FPI party in the western part of the country. This DDR process was postponed twice in June 2006 to allow militia leaders the opportunity to sensitize their members. The modalities for the dismantling of militias in other parts of Côte d'Ivoire, including Abidjan, are yet to be finalized.

40. On 25 July 2006 Prime Minister Charles Konan Banny finally launched a Government-run pilot DDR process in Guiglo of militias from the west. The process began the following day for 2,000 allocated slots for militia fighters and was scheduled to be completed by 7 August. Late on 3 August, the eight-day disarmament programme, already delayed by disagreement over the number of combatants involved, was suspended because the fighters who had signed onto the plan had failed to hand in enough weapons. A revised plan is now to encourage militia leaders to organize bulk submissions of arms during future DDR efforts.

41. Prior to the suspension, 981 militia fighters had disarmed. Each processed militia fighter had a medical check, advice about their return to civilian life, and will receive payment of a total of 499,500 CFA (US $970) staggered cash payout over three months to help them reintegrate into civilian life.

42. An additional problem is that the militia leaders and their subordinates are unhappy with the number of fighters taken into account by the Government. They claim to have nearly 11,000 fighters under their command and now ask for the programme to be expanded to at least 5,000 fighters. There are also allegations that

militia leaders have excluded true fighters and put their own family members into the process for financial gain.

43. There is also disagreement amongst the militias over who is allowed to be processed for disarmament. For example the Toulépleau-based LIMA Forces Speciales (FS) wants to join the process but has been called "Liberian" by the other groups and is currently excluded.

44. The four militia groups that have participated in the disarmament process in Guiglo (UPRGO, FLGO, MILOCI and APWé) have fallen under the overall control of Denis Maho since the events of mid-January 2006 and are loosely known as the Forces de résistance du Grand Ouest (FRGO). Although the militias have shown interest in receiving DDR bounty payments, as discussed below they retain their best weapons although it is also likely that they are finding it difficult to hand over sufficient weapons to accommodate the targeted ratio of 75 weapons for each 100 combatants.

Table 1
Militia groups in the "Great West"

	UPRGO	FLGO	MILOCI	APWé	LIMA FS	COJEP
Name	**Union Patriotique de Resistance de Grand Ouest**	**Forces de Libération de Grand Ouest (Mania Noire and Nindjas)**	**Mouvement Ivoirien Libération Ouest Côte d'Ivoire**	**Alliance patriotique de l'ethnie Wé**		Congres Panafricain des Jeunes Patriotes
Stronghold	**Duékoué**	**Blolequin, Guiglo, Kaade, Toulépleu, Zagne**	**Bangolo, Duékoué, Guiglo, Kaade**	**Blolequin, Duékoué, Guiglo, Toulépleu**	**Toulépleu**	Blolequin, Guiglo, Toulépleu,
Weapons	**AK-47, 12-Bore**	**Ak-47, RPG, 12-Bore**	**AK-47, RPG, 12- Bore**	**AK-47**	**AK-47**	
Size	**2000**	**1000**	**500**	**700**	**1400**	10,000
Dress	Uniforms (few)	Uniforms	T-shirts	Civilian	T-shirts	Civilian

Source: UNOCI and Group of Experts.

E. Small arms

45. From 26 July to 3 August 2006 981 militia fighters surrendered 110 firearms and 6,975 rounds of ammunition. The arms-to-combatant ratio was extremely low — equalling one weapon for every 10 fighters; the targeted ratio had been 75 weapons for every 100 fighters.

46. The Group of Experts visited Guiglo and inspected the DDR process on 31 July 2006. This included examining the weapons and ammunition left by processed militia fighters and under UNOCI custody. These weapons were AK-47, SIG-540, AA 52, MIT – FLG, MIT, PM-44, FAL, PKM, MAS-36-51 and RPG. There were also one 12-bore shotgun and a hand-produced pistol. The Group was surprised that so few shotguns were handed over, given that this is the most common firearm available to militia groups in the west.

47. The Group examined a selection of these weapons including their condition and serial numbers. The majority of these weapons were unserviceable and others badly rusted and not battle ready. An analysis of serial numbers also indicated a mostly random handover of weapons. There were few weapons that indicated sequential serial numbers or serial numbers of weapons that could indicate a cluster falling within a range that would suggest a specific batch. None of the weapons examined by the Group were manufactured in 2004 or later — or correspond to shipments known by the Group to have been imported into Côte d'Ivoire just prior to the imposition of the United Nations arms embargo in November 2004.

48. The Group also examined in detail the stamps on the cartridge rounds of ammunition handed over during the process. This ammunition consisted of 5.56-mm BO FAMAS, 7.5-mm BO FL, 7.62-mm NATO, 7.62-mm PPCH, 7.62-mm BO AKM, 7.62-mm BO AKM, 7.62-mm BO PKM, 10.75-mm Mauser and 12.7-mm MNT. The range of identifiable dates on these cartridge rounds was between 1956 and 2002. There was no ammunition whose head stamp indicated that it was produced within the embargoed period. No 12-bore gun cartridges were handed over in this disarmament process although in 2005 many of the weapons and ammunition seized by UNOCI in March 2005 from armed groups active in Duékoué, Diahoin and Fengolo were 12-bore shotguns and their ammunition (see S/2005/699, para. 18).

49. The absence of 12-bore hunting rifles is very significant. In the ethnic violence of 2005 these were the preferred weapons and are widely available across the west. Traditional hunters carry such shotguns as a statement of their identity and ammunition for these is readily available. The Group purchased a 12-bore round of ammunition for less than 50 US$ cents in the general market in Zwedru (Liberia). It was manufactured in Guinea and matches ammunition captured from armed groups by UNOCI in 2005.

50. The Group also tried to match artisanal shotguns found in Côte d'Ivoire with profiles of types made by local blacksmiths in neighbouring states such as Burkina Faso, Ghana, Guinea, Mali and Togo. The Regional Centre for Peace and Disarmament of the Department for Disarmament Affairs in Lomé assisted this search through its database of such weapons and their manufacturers. No positive match has yet been established with weapons observed in Côte d'Ivoire.

Box 1

Possible embargo breach — ammunition looted from Bangladesh Battalion 2

On the night of 17 January 2006 the Bangladesh Battalion 2 (Banbat-2) camp in Guiglo was besieged by hostile crowds incited by hate media and militia leaders from at least four groups, resulting in Banbat-2 resorting to their rules of engagement which led to the death of five persons and 38 injured. Rapidly after this incident Banbat-2 withdrew to the Zone of Confidence for safety. The camp was then looted, thousands of rounds of ammunition taken and all the buildings there destroyed. The lost ammunition was imported into Côte d'Ivoire for UNOCI but not marked with distinguishing features to track use or loss. It is now reportedly in FANCI and militia possession.

	Item No.	Description	Lost
1.	A002	7.62x39mm Ball Rifle Clip/CTN (Yugo)	720
2.	**A005**	**7.62x39mm API Rif/LMG T-56 (Chn)**	**140**
3.	D021	Arges -84 Gren (Comp) BD	81
4.	**P004**	**26mm Sig Red T-57 (Chn)**	**15**
5.	A001	7.62x25mm Ball Pistol T-51 & 54 CTN	544
6.	**A005**	**7.62x39mm API Rif/LMG T-56 (Chn)**	**122**
7.	A027	7.62x54mm TR HMG T-53 & 57 CTN	120
8.	**A028**	**7.62x54mm API HMG T-53 & 57 CTN**	**120**
9.	B054	82mm Mor Smk WP T-53 Comp (Chn)	2
10.	**P004**	**26mm Sig Red T-57 (Chn)**	**11**
11.	P005	26mm Sig Green T-57 (Chn)	12
12.	**NIV**	**Flare 26mm Sig White T-57**	**24**

F. Weapons inspections

51. In addition to drawing data from lists and weapons submitted in the disarmament process the Group also examined reports from UNOCI and Licorne sanctions inspections and participated in some of these operations. Since the previous report (S/2005/360), none of these inspections has produced a tangible case of violation of the arms embargo. As reported in S/2006/204 FANCI had provided UNOCI with official lists of its weapons in August 2005. On 15 February 2006, the Forces nouvelles eventually also handed over a list. In both cases these lists are far from comprehensive and can be easily contradicted by spot-inspections. The Forces nouvelles only declared 2,000 weapons, for example. When asked about this the Chief of Staff of the Forces nouvelles military admitted to the Group on 9 August 2006 that the list was imperfect and that he would only provide comprehensive lists at the moment of organized disarmament.

52. In the case of major land-based and sea-based military equipment, it would be difficult for FANCI to import such systems without observation. For example FANCI has nine BMP-1s, six BMP-2s, and four T-55s and 28 120-mm mortars but many of these are not operational and all were imported prior to the embargo. The Group has observed in FANCI possession a range of light weapons including AK-47s, T-56, M-16, T-80, MAS-36, Galil, PPM-43, AA-52, HK, P.A. Mac 50 (pistol), PPS-43, MAT-49 and SG 540. None of these weapons appeared to be new.

IV. Provision of military assistance, advice and training

53. Foreign nationals played an important part in the 2002-2003 conflict as mercenaries, but also as mechanics and technicians assisting in the maintenance of military equipment. At the peak of the conflict, up to 2,500 Liberians fought for the Government, while close to 1,000 were thought to have fought alongside Ivorian rebels (see S/2004/972).

A. Liberians

54. Allegations that Liberians are recruited for both the Côte d'Ivoire Government and the Forces nouvelles persist. Both the Côte d'Ivoire Group and its Liberia counterpart have actively investigated such allegations during 2006.

55. Many of the allegations about Liberian recruitment are unsubstantiated but with over 90 per cent unemployment in post-conflict Liberia, a few hundred United States dollars is a strong incentive to become a mercenary if there is a market demand.

56. An alleged Ivorian recruiter, Adam Keita, was arrested by the UNMIL civilian police and the Liberian National Police in Zwedru on 31 March 2005. He was later released because of lack of evidence (see S/2005/360) but the car used remains impounded in the UNMIL Sector 4 headquarters compound in Zwedru and was inspected by the Group. Its number plates were sent to Monrovia for investigation to establish the vehicle's registered owner.

57. With the current political climate, there seems no incentive to hire significant numbers of Liberians for such services. The Group visited the Nicla refugee camp for Liberians outside Guiglo on 30 July 2006 and found no evidence of forcible or voluntary recruitment. The Group also investigated an allegation that in November 2005 up to 200 Liberians returned home to Toe Town in four lorries from Toulépleu after not being paid for their services. No such lorries were recorded or observed crossing the border during this period.

58. During the disarmament process in Guiglo in late July 2006, UNOCI observed militia leader Dennis Maho telling supporters of LIMA FS who had arrived from Toulépleu that they could not disarm as they were "Liberians and not Ivorians", suggesting that this unit retains Liberians in violation of the United Nations embargo. LIMA FS is led by Toulépleu Sous-Prefet Militaire, Lt Jean Oulai Delafosse.

59. The Group believes two incidents of potential recruitment are credible. The first involved the arrest in Grand Gedeh County of a 19-year old male Liberian,

Nyema Caven, on 9 November 2005 by the Liberian authorities. According to his testimony he had been offered a US$250 monthly contract by the Forces nouvelles in Danané in January 2005 and was offered a second contract of US$350 that August to travel with five other colleagues back to Liberia to recruit for the Forces nouvelles. They crossed into Liberia with four firearms and two knives. Nyema had not been involved in the Liberian DDR process and fought with a Liberian, General Dust-to-Dust, in Côte d'Ivoire in 2002-2003. Although arrested and taken to Nimba County, Nyema later escaped custody. When asked by the Group about recruitment of Liberians, the Forces nouvelles political leader Guillaume Soro on 9 August 2006 denied that this was true and said that Liberians were expelled from their ranks in 2003.

60. A second incident occurred in late July 2006, when four ex-combatants based in Zwedru left their homes and have allegedly been recruited for US$400 to go to Côte d'Ivoire to "disrupt elections". According to these allegations, they would head for the Kanhoubli forestry camp near the Liberian border and near Toulépleu to meet an Ivorian code named "rebel father". The Group checked the border post for names and Beninbat in Toulépleu visited the forestry camp on 1 August 2006 with no tangible result. However, UNMIL and UNOCI intend to remain vigilant.

B. Foreign technicians

61. Foreign technicians continue to assist and maintain military equipment for the Government of Côte d'Ivoire. The Ukrainian authorities reported to the Group that IVH Trading Ltd mentioned above provided from May 2003 to late 2004 up to 200 Ukrainian "consultants" for Côte d'Ivoire. According to the Government of Côte d'Ivoire, in mid-2005 the number of Ukrainians working under contract to it was down-sized to two individuals because of limited work.

62. As we see below, Ukrainians are not the only technicians involved. The Group believes nationals of Belarus and the Russian Federation are also assisting the Ivorian military.

V. Maintaining airpower

A. Mil Mi-24 Hind helicopter TU-VHO

63. The Group of Experts is concerned about the continued maintenance and testing of the FACI Mil Mi-24 Hind attack helicopter registered TU-VHO. The Mi-24 helicopter is a machine intended for combat operations, and maintenance upgrades, as observed between May and June 2006, have enabled the aircraft to remain a danger to peace and security in Côte d'Ivoire.

64. The Group noted in its previous report (S/2005/699) that the helicopter was a potential threat owing to the Government's readiness to deploy the aircraft fully armed without warning on 25 July 2005, an exercise that was prevented only after the intervention of Licorne. The Group concluded that the Government was willing to mobilize its air assets during an internal crisis in Côte d'Ivoire. The continued maintenance upgrades therefore enable the helicopter to remain an offensive option

that can be deployed immediately by the Government. It is also worrying that munitions for the Mi-24 are not properly accounted for.

65. UNOCI granted permission to the Ivorian chef d'état-major/Forces de défense et de sécurité on 22 February 2005, renewed on 21 February 2006, to test this helicopter on the last Wednesday of each month (see annex III). The decision to permit testing of this aircraft in 2005 and its renewal in 2006 appears not to have been made in consultation with the Security Council Committee. The original 2005 decision and renewal in 2006 to permit the tests was also contradicted by advice given by the Department of Peacekeeping Operations on 17 March 2005 following consultation with the Committee Secretariat in New York. The Department advised UNOCI that spare parts imported into Côte d'Ivoire after 15 November 2004 constituted an embargo violation. It also confirmed that "the use of foreign technical experts for the repairs, regardless of their date of arrival in Côte d'Ivoire, would also be a violation of paragraph 7 of the above resolution", and further recommended that:

- UNOCI take appropriate steps to ascertain whether the spare parts and foreign experts being used for the repairs of the military aircraft are in contravention of the provisions of the arms embargo. Any such contravention or any hindrance faced by the inspection teams should then be immediately addressed with the Government authorities, and reported to New York for transmission to the Sanctions Committee.

- If Government authorities claimed that the repairs fall under the provisions of paragraph 8 (e) of resolution 1572 (2004), i.e. is intended solely for support of or use in the process of restructuring defence and security forces, they should be reminded that authorization for repairs carried out under this exemption must be sought in advance from the Sanctions Committee.

- UNOCI should dissuade the Government from undertaking such repairs and from flying the aircraft for training purposes, as this can deepen mistrust between parties to the peace process.

66. This helicopter is currently based at the FACI GATL (Groupement aérien de transport et de liaison) military airbase in Abidjan, and performs flight tests on one day per month. This includes a flight test at the airbase and within an area not to exceed Grand Bassam, a locality neighbouring Abidjan. The Group of Experts has noted that these flight tests have assisted FACI in maintaining the helicopter at a fully airworthy status, with the tests on 31 May and 2 August 2006 (delayed from 25 July) including high speed overflights of the airbase and co-joining Abidjan International Airport following maintenance in June to correct problems of the aircraft's inflight stability.

67. The Group believes such tests of the Mi-24 should be discontinued as preparation and maintenance of the aircraft for the tests is an embargo violation and the flights themselves deepen mistrust among the parties.

68. The status and intended use of the Mi-24 helicopter are also obscured by FACI's unwillingness to provide UNOCI unhindered access to all parts of GATL hangar number four, which houses the helicopter, its spare parts and assorted aircraft munitions.

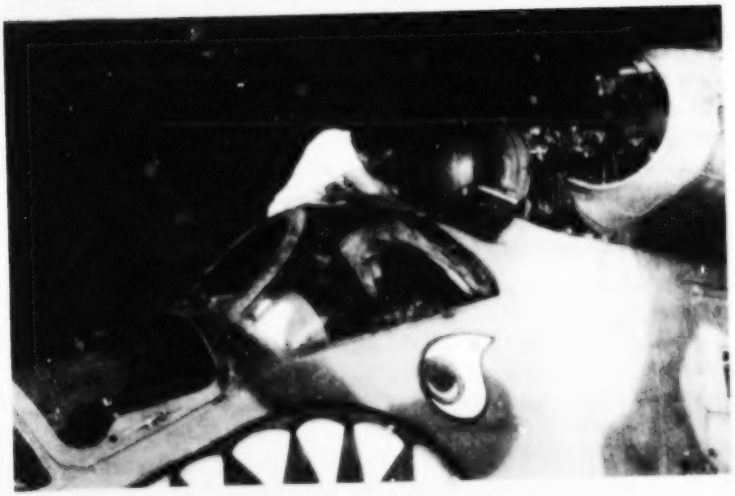
69. The Group assisted UNOCI in an inspection of the GATL airbase in Abidjan on 1 August 2006 in order to determine the status of several key FACI air assets. This inspection was ordered as a follow-up of a similar inspection of GATL on 24 July 2006. During the latter inspection, UNOCI personnel were threatened following their arrival in hangar number 4, which houses the Mi-24 helicopter, and the inspection was immediately discontinued. The inspection of 1 August enabled UNOCI to obtain access to the main storage area of this hangar, but FACI denied access to all adjoining storage rooms and offices of the hangar, which had been locked prior to the arrival of the inspection team. Furthermore, the Group noted that FACI commandos in the hangar remained openly hostile toward UNOCI, including posturing to threaten physical harm to UNOCI personnel.

B. Foreign assistance

70. The Group noted in S/2006/204 that Ivorian Government authorities claimed that foreign nationals contracted to assist FACI provide advice but do not work on the Mi-24. The Group was further informed by FACI Colonel Ouegnin, the commander of the GATL airbase, on 10 July 2006 that there were no foreign technicians working on the Mi-24 helicopter; and only FACI technicians maintain the helicopter. Colonel Adou, the FACI second-in-command also informed the Group on 11 August that only Ivorian technicians, which number approximately fifteen, work on the Mi-24. Colonel Adou noted that some of these Ivorian technicians were *métisse*, or mixed race, in response to the Group's questions about Caucasian technicians. Colonel Adou was unable to furnish identification papers for the Mi-24 technicians. The Group of Experts spent considerable time at the GATL airbase and never encountered the so-called *métisse* technicians. FACI technicians told the Group on several occasions that they did not have the expertise to perform maintenance on the Mi-24, and that such maintenance was performed by foreigners.

71. The Group has obtained photographic evidence that clearly shows foreign technicians, believed to be of European origin, working on the helicopter on 25 January and 30 May 2006. The Group also witnessed these technicians working in the cockpit and on the engines of the Mi-24 on 30 May and on 2 August 2006. The Group considers the use and activities of these foreign technicians to be a violation of paragraph 7 of Security Council resolution 1572 (2004) because their labour provides foreign technical skills to maintain a combat aircraft in a state of readiness for immediate deployment. The Group further considers FACI's denials of the use of foreign technicians in this manner as a further indication of the Government's attempts to conceal its efforts to maintain effective, combat ready air assets, and obscures the Government's genuine intentions for using the Mi-24.

Photograph 1: Mi-24 technician at work



Source: Report of UNOCI inspection 25 January 2006.

72. UNOCI attended the Mi-24 engines and systems check on 27 April 2005 and encountered two individuals who presented themselves as Belarussians, and identified themselves as Ivan Bohach and Aleg Boyko, a pilot. These individuals informed UNOCI that they were employed to assist FACI. UNOCI observed that the technicians did not speak with Ivorian crew members of the Mi-24. UNOCI conducted another inspection of the Mi-24 helicopter on 25 January 2006 and obtained photographs of one male Caucasian technician working on the helicopter, and another male Caucasian technician following the activities of the inspection team. The presence of a third male Caucasian technician accessing the cabin area of the Mi-24 was also noted. All three technicians were reported to be of foreign origin, and one was identified as Feodosiy Karlovskiy, an electrical engineer with an Ukrainian nationality. This individual was also photographed next to the FACI An-12 aircraft with the aircraft's load master (see photograph 21).

73. The Group witnessed two technicians performing similar maintenance on the helicopter — working in the cockpit and on the engines — for approximately four hours on 30 May 2006, and was able to photograph certain activities of the technicians individually, which confirm the 25 January 2006 inspection report. One of the technicians had been previously photographed on 25 January, while the second had not been photographed, both were overseen by the individual identified in the January inspection report as Karlovskiy. He also acted as a focal point with FACI.

Photograph 2: Mi-24 technician with An-12 crew member

Source: Report of UNOCI inspection 25 January 2006

74. ACI provided to the Group during the first mandate the names of three Mi-24 technicians named Feodosiy Karlovskiy (also known as "Karlovskyy" and "Karlowskyy"), Romantchuk [sic] and Burla. The Group was further informed by the Hotel Ivoire in Abidjan that a Russian national named Burla had stayed at the hotel from 1 February until 16 August 2005. The Group obtained additional information that the three individuals were Karlovskiy, Sergiy Romanchuk [sic] and Igor Burla.

75. The Group again observed Karlovskiy at GATL hanger number four on 2 August 2006, and also witnessed two technicians working on the helicopter for approximately one hour. Two mi-24 technicians interacted with several of the An-12 crew members outside an office in the same hanger which the Group believes is shared by both groups of technicians. UNOCI had attempted to access this office during the inspection of GATL on 1 August but was denied access by FACI.

76. FACI has refused to provide the names and identification of the An-12 crews during this Group's mandate, and has denied the existence of the foreign Mi-24 technicians. Although the Group has found no evidence that the An-12 is being used in a direct military role in Cote d'Ivoire, the fact that FACI denied access to this aircraft during the UNOCI inspection of the GATL raises questions as to why this aircraft would have been deemed off-limits to the UNOCI inspection team.

77. The Group was unable to establish whether the contract for the Mi-24 fell under a maintenance agreement for the An-12 or is a separate contract. During its previous mandate, both the supplier of the An-12, the Government of Belarus, and its broker, the director of RM Holdings, Robert Montoya admitted that the

maintenance contract involving them had ended in November 2004. As will be shown below, this is not the case.

C. Antonov-12 TU-VMA

78. The Committee informed the Group on 13 June 2006 that the FACI An-12 aircraft registered TU-VMA and its crew would present an embargo violation only if there was evidence of a direct military application.

D. Use of aircraft

79. The Group was unable to find additional information on the cargo or uses of this aircraft that would suggest a more direct military application. According to ASECNA documentation, the An-12 conducted flights on 31 days between 1 January 2005 and 31 July 2006. The Group was informed that many of these flights were used for commercial activities. Following the FACI denial of access to this aircraft by UNOCI inspectors on 1 August 2006, the Group believes that greater oversight should be given to the operations of this aircraft.

E. Crew and technicians

80. The Group continued its investigations into the An-12 crew and technicians in order to obtain additional information on the elusive Mi-24 technicians described above. The Group has determined that the current An-12 crew began working in June 2006, having replaced a crew that departed in May. Normally these crews rotate on a six-monthly basis. The names of the current crew, for example, reflect the composition of the An-12 crew in mid-2005, with the exception of the pilot in command, Leonid Novozhilov. The crew active until May 2006, led by chief pilot Mikhail Dubovtsev, previously worked with the An-12 from late 2004 until early 2005. Dubovtsev and his crew were detained briefly by Licorne in November 2004 but it appears that the crew remained in Abidjan until April 2005. The Group has attempted to differentiate the names of known crew and technicians for the An-12 from those observed to work on the Mi-24, but has been unable to positively identify all technicians concerned by photograph and national identification. Colonel Adou informed the Group that FACI authorities at GATL do not possess these details for the An-12 crew, and such information must be requested from the Ivorian Ministry of Defence.

Photograph 3: Current An-12 crew and technicians

Source: Group of Experts, 2 August 2006.

81. The Group investigated the housing and contractual situation of the An-12 crews to determine possible links to a broader contract for technicians working for FACI. The An-12 crew lived in a residential house in Attoban, a district of Abidjan. The rent for the house was paid for by the Presidency of Côte d'Ivoire from May 2004 until March 2006. The technicians departed this house for another at the end of March owing to financial problems involving the payment of rent. The second residential house, located in Riviera Palmerias, Abidjan, was only occupied by the crew for several weeks before the technicians departed Côte d'Ivoire to be replaced by a new crew. This house is owned by Benjamin Djedje, an adviser of President Gbagbo. Three sources, including Mr. Djedje, noted that the residents of this house were overseen by Mikhail Kapylou, who handled certain financial matters and acted as a focal point for liaising with the landlord. Kapylou, however, lived elsewhere in Abidjan. The Group has information that prior to the arrival of the An-12 crew, seven other foreign technicians resided in the house. One technician worked at GATL while the remaining six were involved in non-aviation work with FANCI. Remaining evidence of the technicians' stay in this house are two portraits hung in the living room — one of President Gbagbo and the other of the Belarus President Lukashenko.

82. The Group identified Mikhail Kapylou in S/2005/699 as Michel Kapylou, as he is known in Côte d'Ivoire (see annex IV). According to the Government of Côte d'Ivoire, this individual was an official from the Belarus Ministry of Defence, and handled defence contracts with Côte d'Ivoire but had left Côte d'Ivoire in 2005. Robert Montoya, a French national resident in Lomé, Togo, who worked as an agent for the Belarus state arms export company Belspetsvnechtechnika (BSVT) in West Africa, informed the Group previously that Kapylou was the BSVT agent for Côte d'Ivoire. Montoya supplied a significant portion of the FACI military aircraft prior to the arms embargo through his company Darkwood Logistique. He is currently under judicial investigation in Togo over allegations of illicit arms brokering and maintaining aircraft that might constitute a violation of Security Council sanctions. Togo has also created a rogatory commission to visit Côte d'Ivoire on this matter.

83. The Group previously noted that Darkwood Logistique is part of Montoya's stable of companies such as RM Holdings Riga and Gypaële — Darkwood and RM Holdings Riga share the same fax number in Lomé, for example.

84. The Group obtained details of the two bank accounts of RM Holdings in Abidjan, of which both had two signatories, Robert Montoya and Mikhail Kapylou. Documentation to establish these accounts named Montoya as the president of RM Holdings and Kapylou as director of development for the company. One of the bank accounts was created on 28 January 2005 and remains active; the other account was closed on 9 March 2006. The bank account that remains active includes four payments in May, June, September and October 2005 to Belspetsvnechtechnika for a total of approximately $730,000. Payments to this RM Holdings bank account include seven funds transfers for an aircraft contract totalling approximately $4 million on 24 February 2005, 20 April 2005, 25 May 2005, 1 September 2005, 30 September 2005, 25 November 2005 and 24 April 2006. Seven other payments on these same dates are labelled as expenses for the stay of personnel, mainly described as Belarussian, totalling approximately $1.4 million. A payment from this account is for five An-12 crew members. Their plane tickets were paid for on 22 September 2005 by cheque number 5341771, from Moscow to Abidjan, via Brussels on 17 October 2005 and two roundtrip flights from Minsk to Brussels via Warsaw.

85. The Group continues to investigate whether these two bank accounts have paid for technicians working on the Mi-24. The large total of payments for contracts related to aircraft may represent longer-term contracts for deliveries prior to November 2004 or for the continued maintenance of aircraft previously supplied. The total of $1.4 million in expenses for personnel over a 16-month period appears high for a six-man crew of the An-12. The Group attempted to contact Robert Montoya but was unable to locate him at the end of the mandate. The Group did contact Mikhail Kapylou who is resident in Abidjan but was travelling in the Russian Federation at the end of the Group's mandate.

86. The Group noted that Mikhail Dubovtsev, the pilot in command of the An-12 and a Russian national with passport 60No4264736 (see annex V), worked as a technical director of Gypaële in Lomé, Togo from March 2005 for an undetermined period. Records obtained from the Togolese civil aviation authorities, including his passport details, do not clarify whether Dubovtsev's contract with Gypaële ended before he resumed his contract with FACI.

F. IAR 330L Puma helicopters

87. The Government of Côte d'Ivoire operates two IAR 330 Puma helicopters as noted in a previous report (S/2005/699). One helicopter was purchased in a VIP configuration and is painted white (TU-VHI), while the second is painted in a green military camouflage pattern and is configured for search and rescue purposes (TU-VHM). The Romanian company that sold these helicopters to the Government of Côte d'Ivoire produced documentation to the Group showing that the sale of these helicopters was for civilian use only. FACI also stated during an UNOCI embargo inspection of GATL on 1 August 2006 that these helicopters did not carry soldiers, arms or ammunition, only civilians, and are used solely for VIP transport (TU-VHI) and search and rescue (TU-VHM).

88. The Group was informed that the Puma registered TU-VHM has been used by FANCI as a rapid reaction troop transport. Armed soldiers with ammunition used this helicopter to deploy to the town of Divo, in the Sud-Bandama region, on 23 July 2006. FACI Colonel Adou confirmed to the Group that the helicopter

transported armed gendarmes and police. This rapid airlift operation was part of an internal security measure to reinforce Government forces during clashes over the issue of the mobile courts. The Group also obtained video footage from 27 July 2006 of a ceremonial enactment of FANCI commandos rappelling from this helicopter.

89. The Group received further information that the white Puma registered TU-VHI was also deployed to Divo on 23 July carrying armed soldiers. Colonel Adou confirmed that the helicopter carried personnel from the Ivorian Ministry of Defense but insisted that the helicopter was used solely for VIP transport.

90. The Group believes that the use of the Puma helicopters, and especially TU-VHM, as rapid reaction troop transports blurs the distinction between the intended civilian use and a more direct military role in transporting Government soldiers to flash points in Côte d'Ivoire. Certain flights by the helicopter TU-VHM are also not recorded by the civil aviation authorities while flights of Government aircraft used for civilian purposes are registered with ASECNA and flight plans are filed. The Group of Experts identified 21 flights between 1 January and 31 July 2006 by TU-VHM that were not recorded by ASECNA, including the flight to Divo. The Divo flight by the white Puma registered TU-VHI on 23 July was similarly absent from ASECNA civil aviation data.

Box 2

Inspection of Bouaké airbase

The Group of Experts conducted an inspection of aircraft stored in Bouaké under Forces nouvelles control on 9 August 2006. The Group was able to inspect and photograph the aircraft and confirmed that the list of aircraft that the Forces nouvelles provided UNOCI in February 2006 is correct.

The Group observed the following aircraft:

Type	Registration	Condition
Alpha Jet	TU-VCA	Repairs needed/ not operational
Alpha Jet	TU-VCB	Repairs needed/ not operational
Alpha Jet	TU-VCC	Repairs needed/ not operational
Alpha Jet	TU-VCE	Repairs needed/ not operational
Alpha Jet	TU-VCG	Repairs needed/ not operational
Beechcraft Bonanza	TU-VBD	Repairs needed/ not operational
Beechcraft Bonanza	TU-VBF	Repairs needed/ not operational
Beechcraft Bonanza	TU-VBG	Repairs needed/ not operational
Beechcraft Bonanza	TU-VBH	Repairs needed/ not operational
Beechcraft Bonanza	TU-VBC	Airframe only
Beechcraft Bonanza	TU-VBE	Airframe only
Cessna 421C	TU-VBA	Repairs needed/ not operational

The Forces nouvelles informed the Group that a test had been conducted on both engines of the Cessna 421C in early 2006. The aircraft is not airworthy at this stage.

VI. Embargo inspections

91. A key task for UNOCI and Licorne is to conduct embargo inspections throughout Côte d'Ivoire. In government areas these inspections are led by UNOCI and in Forces nouvelles and Zone of Confidence areas Licorne leads the inspections.

92. Such inspections by UNOCI are an important tool in ensuring visibility and compliance with Security Council measures. In practice the inspections encounter many problems, both political and logistical. A weakness of this inspection process is that more than 95 per cent of inspections are only undertaken after prior notice is given to FANCI or Forces nouvelles. Up to 20 April 2006, two hours prior notice was given but that has since been extended by UNOCI Force HQ Operations to six hours. The aim was to reduce the number of refusals but this does not seem to have had an impact if the figures of reported refusals is analysed as illustrated in table 2.

Table 2
UNOCI and Licorne embargo inspections

2006	*Number of inspections*	*Refusals*
January	15	3
February	19	1
March	26	0
April	30	1
May	44	4
June	34	3
July	26	6
Total	**194**	**18**

Source: Group of Experts.

93. Of the refusals, 17 are in government areas including Gagnoa where inspections are almost never permitted and the Garde republicaine in Abidjan and Yamoussoukro and the Gendarmerie in Agban. Access to a gold mine at Ity was also regularly refused until the Group gained access to it in July 2006 (see box 3). The other refusal was in Forces nouvelles territory.

94. These refusals of access are significant because locations such as armouries of special or elite forces are the most likely to house stockpiles of sensitive military equipment. Moreover, the denials of access to cities such as Gagnoa, the hometown of President Gbagbo, leave strategic geographic locations off-limits to UNOCI inspectors. Announced inspections also lack the element of surprise and enable armed parties to prepare for the inspection which could include moving embargoed goods to other locations.

95. The methodology, quality of inspections and follow-up is also variable. Embargo orders are scheduled weekly on a rotational basis by the DDR-embargo cell at UNOCI headquarters in liaison with Licorne. The local sectors have little input into this process.

96. During these inspections, photography is often not permitted and if keys are not available, doors remain locked. Often inspections are symbolic and if there is a refusal of access the worst that will result is an additional strong letter of protest from the Acting Force Commander to the Chief of Staff of the Ivorian Armed Forces or the Chief of Staff of the Forces nouvelles. These protests go unanswered.

97. UNOCI inspectors also need clarity for procedures in inspecting private or commercial cargo arriving at Côte d'Ivoire's land borders, seaports and airports. Operators or owners of commercial aircraft and vessels have denied access to UNOCI during arms embargo inspections of ports and airports. Two such examples occurred at the Autonomous Port of Abidjan on 3 January 2006 and the San Pedro airport on 14 July 2006. Only the cooperative attitude of an aircraft's crew enabled a successful UNOCI inspection at Abidjan's Félix Houphouët-Boigny International Airport on 29 July 2006.

98. This situation is not assisted by an opaque chain of command within UNOCI related to sanctions monitoring. Until late 2005, UNOCI maintained an embargo cell but this was merged into a joint DDR-embargo cell in 2006 and embargo monitoring became a sub-set of DDR with minimal personnel. This has not been efficient and there are now plans to reinstate a sanctions cell in JMAC. In July 2006 an embargo consultant was finally hired by UNOCI and the Group liaised with him.

99. The Group also reviewed incoming and outgoing communication between UNOCI and the Department of Peacekeeping Operations in New York from January to August 2006. Embargo inspections hardly feature in the communications.

100. On 9 May 2006, the Department of Peacekeeping Operations advised UNOCI that it should regularly visit the diamond areas of Séguéla. This was also emphasized in a letter sent by the Group to UNOCI on 25 May 2006. Since the Group's visit in April 2006 to Séguéla, no inspections of the diamond areas in that zone have occurred to date according to the UNOCI team site there.

101. In 2006, there has so far been no feedback in the form of queries from the Security Council Committee about the monthly embargo reports that UNOCI compiles.

102. Maintaining the status quo is potentially hazardous as it undermines the reputation of the Security Council and if there is a serious deterioration of the peace process the monitoring system could be easily circumnavigated.

A. Primary entry points

103. The Group inspected primary entry points into Côte d'Ivoire as they are particularly vulnerable to embargo violation. As discussed below the embargo inspections and check points that UNOCI and Licorne undertake are currently not effective.

B. Ports

104. Ports represent a particular challenge for embargo inspection and are the most likely entry points for embargoed goods in Government territory. The Autonomous Port of Abidjan remains the busiest port in Francophone West Africa and was visited by 5849 vessels which loaded and unloaded 571,674 containers in 2005.

105. On a number of visits to the Port, the Group found that inspection of such a volume of container traffic for embargoed goods remains poor and In 2006, there were to date only two successful inspections by UNOCI. The BIVAC scanner mentioned by the Group (S/2005/699) has not been functional since January 2006 and UNOCI never used it last year. The Chairman of the Security Council Committee on 27 January 2006 wrote to the Permanent Representative of Côte d'Ivoire to the United Nations asking for Government cooperation for UNOCI use of this scanner.

106. An impressive new scanner for BIVAC that can scan 30 containers per hour has been constructed according to a Government directive but as at 8 August 2006 is not operational. BIVAC has received a letter from Customs requesting that the scanner become operational by 14 August 2006. The Group recommends that when

this scanner becomes operational, UNOCI should use it as part of its embargo inspection tools to examine all types of imports, and should create a permanent ports inspection unit with experienced customs experts.

107. The Group inspected the Autonomous Port of San Pedro also during its mandate. During 2006, there have been only four embargo inspections of this location by UNOCI although it is the second port of Côte d'Ivoire. In both ports, UNOCI needs to analyse ship movements, and conduct risk and profile assessments prior to conducting targeted inspections.

C. Airports

108. Throughout the mandate, the Group examined aviation data for the region to profile aircraft movements that might be suspicious. This information was then compared with Ivorian civil aviation data which only covers Government territory. After consulting this data, the Group visited seven airports south of the Zone of Confidence in Côte d'Ivoire. During this investigation, the Group received allegations of suspicious cargo on two aircraft. The owners of these aircraft were contacted and provided all information to the satisfaction of the Group. The Group also followed-up with two other aviation companies that had been encountered during UNOCI airport inspections in San Pedro and Abidjan. Both companies provided the requested information to the satisfaction of the Group.

109. The Group was unable to obtain civil aviation data for airports and airstrips under Forces nouvelles control. The Group conducted inspections of the four most important airports in the north, which are used almost exclusively by UNOCI aircraft. The Group also inspected four smaller or private airstrips and found no indication that they had been used recently.

110. The Group also noted that in 2006 there was only once inspection of aircraft arriving at Félix Houphouët-Boigny International Airport in Abidjan. In June 2006 UNOCI created an airport cell to be based at the airport to conduct inspections. Other inspections occur at the military wing, and the Group has observed such an inspection in progress. UNOCI was not provided unimpeded access by FACI during this inspection.

D. Border posts

111. The Group visited land border posts with all Côte d'Ivoire's neighbours and crossed the borders with Burkina Faso, Ghana, Guinea, Liberia and Mali during its mandate. Monitoring of cross-border traffic is important and UNOCI should regard these road entry points as an important location for embargo inspection.

112. The Group also examined inter-mission cooperation between UNOCI and UNMIL in Liberia and Côte d'Ivoire. In late June 2006, there were concurrent patrols along both sides of the border by both United Nations missions which is a significant improvement on what the Group observed in 2005. When the Group visited Zwedru (Liberia), the mission was accompanied by four military observers from Côte d'Ivoire. This enabled the military observers on both sides of the border to properly brief each other about their particular sectors. The Group recommends a

monthly meeting of this type, which would increase the effectiveness of inter-mission coordination, especially regarding embargo monitoring.

VII. Defence expenditure and natural resources

113. The conflict has negatively impacted the Côte d'Ivoire economy. GDP was expected to grow by 2 per cent in 2005, but recorded a deficit as the trade surplus narrowed and import growth outpaced exports. The GDP for 2006 is expected to demonstrate a small surplus of 1.7 per cent because of oil production and the revival of the construction and telecommunications sectors. Foreign investment in Côte d'Ivoire fell significantly after the conflict started, from 68 per cent in 2001 to 32 per cent in 2005. The crisis has also diverted transit trade to and from the landlocked countries of Mali, the Niger and Burkina Faso to the ports in Togo, Benin and Ghana.

A. Defence expenditure

114. In its earlier report (S/2005/699), the Group reported that defence expenditure remained high. This remains the case although IMF has estimated a decline of 0.1 per cent of GDP for defence expenditures in 2006. Although spending on defence has slightly increased, it is a decline in terms of total available budget because of the Government's tightening up against extrabudgetary activities.

115. Although the Government has not submitted a detailed breakdown of its defence and security related expenditure for 2006/07 to the voluntary United Nations Standardized Instrument for Reporting Military Expenditures, it has provided some data to IMF and the World Bank. Table 3 illustrates that defence expenditure has returned to its pre-conflict level in percentage of GDP.

Table 3
Government defence expenditure 2001-2006

	2001	*2002*	*2003*	*2004*	*2005*	*2006*
Defence expenditure, billions of CFA	98.5	108.4	115.8	132.5	131.8	132.6
Defence expenditure, in percentage of GDP	1.3	1.4	1.5	1.6	1.5	1.4

Source: Government of Côte d'Ivoire and IMF.

116. The Government of Prime Minister Banny has tried to capture more revenue through Government accounts. This has had an impact on the amount of revenue in the short term available for extrabudgetary spending including for defence expenditure, making it more difficult to embark upon major procurement enterprises or hire new combatants without it showing in the quarterly detailed budget execution statement for the Council of Ministers, detailing social and reunification expenditures. The first report is scheduled for the end of October 2006 and covers budget execution until the end of the third quarter, including budget execution in the first and second quarters of 2006.

117. This tightening of the public purse seems to be having some impact. Militia groups speak of cash problems as an added incentive to seek an end to the conflict. There are also other signs of greater transparency. The Banque nationale d'investissement informed the Group that it had implemented World Bank advice and capped lending to the Government. Also under its recent budget announcement for 2006, Côte d'Ivoire estimated for its oil production a more realistic $63 per barrel production as opposed to $35 last year. The World Bank mission to Côte d'Ivoire in May 2006 reported that the Government is willing to strictly comply with the principles of EITI (Extractive Industries Transparency Initiative). The Government plans to publish the revenue it gains from taxes, royalties and future signature bonus payments for new concessions.

B. Importance of cocoa

118. Taxation from cocoa production is the main source of Government revenue and as shown by the Group (see S/2005/699), was in the past used to fund defence and security especially through quasi-fiscal institutions. Côte d'Ivoire produces 40 per cent of the world's cocoa. The main crop of this season ended in March 2006 and was around 1,050,000 tons. There is an estimation of mid-crop production of about 250,000 tons. Almost 10 per cent of Côte d'Ivoire's cocoa is produced in the north.

119. Because it is under tight fiscal pressure the Government is also trying to extract additional funds from the cocoa sector in 2005 and 2006. About $20 million has been raised through an advanced tax for the 2005-2006 cocoa crop. This deal was confidential but the Group has obtained a copy of one of the contracts (see annex VI). The allocation of these funds is unknown.

120. An audit of the cocoa sector carried out by the European Commission made public in February 2005, states that about 20 billion CFA was transferred to the office of the President for "sovereignty expenditures" from quasi-fiscal agencies. According to the European Commission audit the quasi-fiscal agencies obtained from October 2000 to June 2003 between 302 and 340 billion CFA from coffee and cocoa taxes. An additional 100 billion CFA was collected by these agencies from June 2003 until February 2005.

121. The World Bank and IMF have regularly called for transparency of the cocoa sector. They have requested that the quasi-fiscal agencies involved in the channelling of funds for off budget accounts be disbanded. Prime Minister Banny on 18 April 2006 sent a circular to these agencies to present their accounts.

122. The Group tried to meet with these agencies in Abidjan with limited success. The Group eventually met FDPCC but was unable to obtain information on their activities including revenue and expenditures. FRC did not respond to the Group's request for a meeting.

C. Cocoa and coffee smuggling to Ghana and Togo

123. The Côte d'Ivoire border is porous and smuggling is easy. The Group previously documented that significant amounts of cocoa had been smuggled to Ghana and Togo (see S/2005/699). The Group in its meeting with the Forces

nouvelles political leader Guillaume Soro and his leadership in Bouaké on 9 August 2006 discussed in depth the Forces nouvelles economy. According to Guillaume Soro, the main source of revenue for the Forces nouvelles is taxation of transportation and goods. Soro admitted that for coffee and cocoa, the Forces nouvelles tax of 150 CFA per kilo is lower than Government rates in order to be competitive. It is exported through Guinea, Ghana and Togo.

124. Soro confirmed that the Forces nouvelles has to feed its soldiers with these funds and that in 2006 the Forces nouvelles established a tax office called "Le Central" which disburses accrued funds for social projects.

125. In 2006 this trade pattern continues although the amount of Ivorian cocoa smuggled to Ghana appears to have declined. The Ghana Cocoa Board in a July 2006 letter to the Group reported that it had allocated 12 four-by-four vehicles to the Ghana Armed Forces, and continued to pay monthly allowances to support anti-smuggling operations aimed at stopping inferior beans from coming into Ghana. The Cocoa Board also stated that increased Ghanaian yields over the last four years were mainly due to improved crop husbandry practices and crop-spraying.

Table 4
Ghana and Togo cocoa production (tons)

Production year	*2002/03*	*2003/04*	*2004/05*	*2005/06*
Ghana	496 800	737 000	599 300	620 000
Togo	79 000	21 700	50 000	50 000

Source: ICCO.

126. Although smuggling through Ghana seems to be in decline, this is not the case with Togo as the table above based on ICCO figures shows. Unlike cocoa, production of coffee in Côte d'Ivoire was seriously impacted by the conflict and low international prices. Coffee produced in areas under Forces nouvelles control and in the Zone of Confidence is exported mostly to Togo via Burkina Faso. The Togo production figures below indicate a significant increase since the Ivorian crisis began.

Table 5
Côte d'Ivoire and Togo coffee production (tons)

Year	*2002*	*2003*	*2004*	*2005*
Côte d'Ivoire	3 145	2 689	1 750	2 500
Togo	68	144	166	168

Source: ICO.

D. Gold

127. The conflict almost completely shut down gold exploration and mining activities but in 2005 and 2006, with increased stability and high commodity prices for gold on the international markets, this has changed. A number of junior mining companies have prospects in Côte d'Ivoire including Randgold and Cluff Gold.

Box 3

Ity: Producing gold in a rough neighbourhood

Throughout Côte d'Ivoire the local authorities seek to discourage UNOCI inspection of assets of economic significance. UNOCI had tried regularly to get access to the Ity mine including on 17 July 2006, to conduct an embargo inspection but Lt. Alla Kouakou Léon, the Sous-prefect of Zouan-Hounien has regularly refused access. Only inspection for a pre-cantonment site outside the mine perimeter by near Ity village has been permitted. The Group, with the support of SMI obtained permission from Lt. Alla and inspected the site on 26 July 2006 and observed nothing suspicious.

The Ity gold mine is situated near Danané just south of the Zone of Confidence. It is an open cast heap leach operation is currently the country's largest gold mine and is run by the Société Minières d'Ity (SMI). Production for 2005 from the mine was 1335 kg and the mine produces 120 kg of gold each month. The gold produced is smelted on site and transported by hired helicopter twice a month to Abidjan and from there on to Switzerland to Metalor for processing.

Control of the mine has been hotly contested during the Ivorian conflict. On 29 November 2002, Ity mine was captured by MPIGO (part of the Forces nouvelles) and its assets were looted including 27 kg of gold that had just been produced. On 23 April 2003 FANCI recaptured the mine and production was restored that December. On 6 June 2004 a Forces nouvelles faction with Liberians attacked Ity village but was quickly repulsed and a FACI Mi-24 Hind attack helicopter was dispatched to conduct a reprisal operation further north. In November 2004, the Forces nouvelles tried once more to move south towards the mine but failed to reach it.

At the end of December 2005, the Gendarmerie took over responsibility to protect the mine from FANCI commandos. The company offers some logistical support in return for security but is pushing to set up its own security force. For example, the Gendarmerie obstructed mine production in February 2006 because they wanted Government payment of their war allowance. It took four days to resolve this dispute.

Because of the poor condition of the roads, supplies to Ity mine are made by road, crossing through Forces nouvelles-controlled zones. For unimpeded access of its supplies the mine company paid the Forces nouvelles CFA 1.5 million per month from January to November 2004 in addition to CFA 75,000 per truck. A renegotiated payment of CFA 50,000 per truck was subsequently made with the Forces nouvelles leadership in Man.

128. These mines require significant investment and Randgold reports that although it operates in Forces nouvelles areas near Korhogo it has not been taxed and both the Government and Forces nouvelles leadership share a long-term desire for industrial investment. This contrasts dramatically with what the Group observed diamond production in Séguéla as discussed below. Gold in Côte d'Ivoire is less suited for artisanal production and requires significant financial and technological investment beyond the current capacity of the Forces nouvelles, although there are patches of small-scale alluvial gold production spread across its zone.

VIII. Diamond embargo

129. Security Council resolution 1643 (2005) imposed an embargo on the export of diamonds from Côte d'Ivoire. The Group of Experts in its reports (S/2005/699 and S/2006/204) had highlighted that diamonds were an important source of revenue for the Forces nouvelles. The Group documents below how, despite the United Nations embargo, Ivorian diamonds are entering the international supply chain.

130. The Group met in Bouaké, on 9 August 2006, the Forces nouvelles political leader Guillaume Soro and his leadership and discussed in detail the diamond embargo. According to Soro, the Forces nouvelles does not extract direct benefit from diamond production and were not well informed about the diamond embargo and the international diamond trading system. He offered to send a high-level delegation to the diamond areas around Séguéla to assess how the Forces nouvelles could assist implementation of the embargo on export of diamonds; UNOCI was invited to observe this mission. The Forces nouvelles leadership also raised its concern about the humanitarian impact on civilians in the diamond areas and asked the Group about how they might obtain assistance to minimize civilian suffering. The Group recommended that they discuss this issue with the Security Council Committee.

131. Investigating compliance with the diamond embargo was a key priority of the Group. The Group liaised closely with the Kimberley Working Group on Côte d'Ivoire and conducted a joint field mission to Côte d'Ivoire's diamond areas in April 2006 to assess current production and illicit export volumes from Côte d'Ivoire.

132. This mission selected the villages Séguéla, Bobi, Diarabana, Toubabouko and Tortiya to investigate ongoing artisanal alluvial mining.

133. Based upon the Group's findings in 2005 this joint mission conducted an aerial survey over Tortiya and Séguéla to map the different diamond deposits and then conduct a ground inspection of Séguéla, Bobi, Diarabana and Toubabouko. To

guarantee unimpeded access to these diamond sites, the Group obtained the necessary authorization from the Forces nouvelles leadership. Prior to the ground inspections, the joint team met with the Zone Commander Kone Zakaria in Séguéla to explain the mission.

A. Bobi dyke

134. Organized mining activity on the Bobi dyke was first observed in January 2004 when the European Union started satellite surveillance at the request of KPCS. These findings were confirmed by UNOCI in July 2005 when the Group visited Séguéla. In April 2006, the joint mission observed extensive artisanal mining. An impressive open-pit was previously interpreted as the result of mechanical mining. However, the joint team observed no earth-moving heavy machinery. The team visit established that the benching was the result of organized mining using only shovels, picks and small petrol-fuelled water pumps. No heavy equipment was spotted on the site and there was a lack of geological or mining engineering skills other than those of experienced artisanal miners.

Photograph 4: Bobi dyke

Source: Group of Experts 25 April 2006.

135. Forces nouvelles soldiers controlled all mining activity when the joint team visited the site. Close to the Bobi dyke was also a mining camp for the workers and a military camp for at least 50 Forces nouvelles soldiers. According to the Forces nouvelles Secretary-General, this security was to protect the diamond workers from localized squabbles over diamonds they found. What the team observed appeared more like a structured and militarily organized production operation controlled by the Forces nouvelles.

Photograph 5: Camp near Bobi dyke

Source: Group of Experts, 24 April 2006

B. Bobi, Diarabana and Toubabouko

136. The joint team observed that artisanal diamond mining activity is increasing, especially in the riverbed deposits around Bobi dyke along the Legbo river and smaller creeks. North to north-west of Diarabana and to the west of Toubabouko other artisanal mining activity was observed during the trip.

C. Tortiya

137. Approximately 150 km to the north-east of Séguéla, another diamond deposit is actively mined. Tortiya is known as a producer of small diamonds that are of good to excellent quality, very similar to those that are mined in Ghana. During the helicopter over-flight the joint team observed very limited mining activity along riverbeds south-east of the town.

D. Calculation of the current production

138. The Group was provided a technical report of the Kimberley Working Group following the joint mission. This has assisted the Group in estimating total production capacity and value.

Table 6
Diamond production at Séguéla and Tortiya

Séguéla					
Bobi					
Eluvial placer on dyke					
Length	*Width*	*Depth*	*Diamond recovery*		*Min. and max. production (carats)*
250 m	10 m	2 m	99 per cent		45 000
Dyke					
Length	*Width*	*Depth*	*Diamond recovery*		*Min. and max. production (carats)*
205 m	1-2 m	20 m	Bench 1	99 per cent	6 000-12 000
			Bench 2	90 per cent	5 400-10 800
			Bench 3	80 per cent	4 800-9 600
			Bench 4	70 per cent	4 200-8 400
			Bottom	60 per cent	3 600-7 200
Alluvial areas					
640 158 m^2					19 205-57 614
Exploratory areas					
393 676 m^2					11 810-35 431
Diarabana					
Surface area actively mined					
50 000 m^2					1 500-4 500
Toubabouko					
Surface area actively mined					3 000
Tortiya					
Surface area actively mined					10 000-20 000
Total					**114 515-213 545**

Source: Kimberley Process Certificate Scheme Working Group.

139. Calculating the output of the total production capacity is difficult. At the Bobi dyke, the diamond content per ton and efficiency of the diamond recovery can only be estimated. The output from the alluvial deposits is estimated based on the surface area and the number of workers. With a minimum pre-conflict average price of $80 and a maximum price of $110 per carat, we can estimate that the total revenue of a yearly diamond production in Côte d'Ivoire is between $9,161,200 and $23,489,950.

E. Séguéla's diamond dealers and illicit exports

140. In coordination with United Nations police and military observers, the Group was able to identify the most important diamond dealers in Séguéla. Some interviews with dealers occurred at the residence of Comzone Zakaria in his presence.

141. **Siaka Coulibaly.** Born 6 August 1963 and a Malian passport holder (see annex VII). He is known as the biggest buyer of large size, quality rough diamonds. Mr. Coulibaly owns an impressive villa next to the UNOCI team site in Séguéla. One of his relatives maintains the house and told the Group that Mr. Coulibaly left Séguéla shortly after the conflict began in 2003. Mr. Coulibaly lives in Bamako (Mali) but still has "representatives" who regularly supply him with diamonds from Séguéla. During a visit to Mali, the Group located his office in the ABK buildings in Bamako, but only when local residents were asked for Siaka "the diamond dealer" was the Group able to locate the exact office.

142. During the Group's interview with Mr. Coulibaly, he confirmed that prior to the conflict in Côte d'Ivoire, he was one of the biggest diamond dealers, but had moved to Mali and closed his diamond business in Séguéla. Currently he runs an agricultural company called S.I.A.M. in Bamako. Mr. Coulibaly stated that he retains contacts with several diamond companies in Antwerp (Belgium) but does not supply them. Coulibaly also confirmed that in February 2006 he travelled to Belgium (Antwerp) for medical treatment and showed the Group a receipt for a dentist appointment in Antwerp. He also admitted that he briefly visited some diamond companies in Antwerp during this February 2006 visit.

143. The Group obtained flight details for Coulibaly that show that in 2004, 2005 and 2006 he travelled six times between Bamako and Brussels. During these visits, Mr. Coulibaly stayed between 5 and 15 days in Belgium. The Group has details of flights in August 2004, April 2005, July 2005, September 2005, February 2006 and March 2006. On his request for a Shenghen visa Coulibaly writes that his final destination is Belgium and that he has an apartment in Antwerp. The address appears to be the private house of a director of a diamond company in Antwerp.

144. The Ministry of Foreign Affairs and the Ministry of Mines in Bamako admitted to the Group that they are aware that there is an informal market of illicit diamonds organized by individuals but that they have difficulties in controlling it. To date no arrests have been made at Bamako airport for smuggling rough diamonds. Siaka Coulibaly is not known to the Malian authorities as a diamond dealer.

145. **Sekou Sidibe.** Born 25 December 1959 and of Ivorian nationality (see annex VIII). He is known widely as "Sekou Niangadu" or "Petit Sekou," and considered as one of the main dealers in Séguéla. The Group interviewed Mr. Sidibe in Séguéla where he admitted that he still buys rough diamonds on the local market but fewer than before the conflict. Sidibe told the Group that he keeps "stocks" of these diamonds in a safe in Abidjan but was not willing to arrange an inspection of the stock by the Group. He told the Group that prior to the conflict he had shipped diamonds exclusively to Belgium.

146. During a visit to Belgium in April 2006, the Group was briefed by the Federal Police diamond squad in Antwerp about an investigation into illicit imports of Ivorian diamonds to Belgium. The Federal Police know Mr. Sidibe as a close contact of various Antwerp-based diamond companies.

147. **Morie Kallon.** Born 10 April 1961 and of Belgian nationality since 1997 although born in Sierra Leone (Kenema). Mr. Kallon lives in a house in Séguéla but his wife and children live in Belgium (Antwerp). During the interview with the Group he admitted that he had dealt in diamonds prior to the conflict and had

worked with several diamond companies based in Antwerp. Mr. Kallon informed the Group that in 2005 he was questioned by the Federal Police in Belgium concerning a criminal investigation linked to an Antwerp diamond company. Several relatives of his are known as couriers of rough diamonds between Africa and Belgium.

148. **Abdul Kamara.** No further details. The Group twice visited Kamara's office in Séguéla but was not successful in interviewing him. During the second visit some maintenance staff were cleaning the office and the Group was able to see the inside of the office. The office was fully installed and equipped to purchase diamonds and had several chairs waiting for potential clients.

149. Except for Abdul Kamara, all the above-mentioned individuals admitted to the Group that they were fully aware of the Security Council diamond sanction on Côte d'Ivoire and that it was illegal to export diamonds. The Group believes that it has credible evidence that Siaka Coulibaly and Sekou Sibide are violating the sanctions on the export of Ivorian rough diamonds. These two individuals are still connected with two Belgian brokers who specialized in Ivorian diamonds prior to the conflict and relocated their buying offices to Ghana in 2003. The identities of these two Belgian individuals are known to the Group but not reported because of an ongoing judicial investigation in Belgium concerning their possible violation of Security Council resolution 1643 (2005).

F. Ghana

150. The most important dealers of Ivorian diamonds moved to Ghana following the outbreak of conflict. In 2003 Ghana also became a Kimberley Process participant.

151. Ghana's diamond trade is overseen by the Precious Minerals Marketing Company Ltd. (PMMC) a 100 per cent State-owned organization that operates under the Ministry of Lands, Forestry and Mines. PMMC is responsible for the marketing of rough diamonds produced in Ghana. All prospective foreign companies that wish to trade in diamonds mined in Ghana are expected to use PMMC. The companies are issued with a Licensed Buyer Company (LBC) licence and are provided an office in the PMMC building in Accra. All purchasing of diamonds must be done in this office and PMMC also issues Licensed Buying Agency agreements (LBAs) to Ghanaian nationals who are legally allowed to buy rough diamonds within the diamond mining regions in the country but must present them to the LBC in Accra.

152. Funds for the purchase of the diamonds in Ghana are transferred from the license holder's bank to a PMMC account at the Bank of Ghana, prior to the commencement of purchases. Diamonds are not to be purchased by direct cash payments. Exports of the rough diamonds purchased are undertaken by PMMC upon the request of the license holder to a designated overseas addressee given by the license holder. Diamonds purchased must be paid for prior to shipment and the export administration/ documentation is organized by PMMC. Before the shipments leave the country the diamonds are inspected by PMMC evaluators to verify average price and to examine the goods for conflict diamonds.

153. In Ghana, diamonds have been mined by the State-owned company Ghana Consolidated Diamonds Ltd. (GCD).The production of GCD has declined dramatically over the last 15 years to less than ten per cent of the total production in

Ghana today. GCD sells specific areas of their concession to so-called tributers who are small-scale operators who sell their diamonds to the corporation. Artisanal small scale mining by individuals is widespread and currently the most important source of rough diamonds in Ghana, and the Minerals Commission in Ghana issues the mining licenses. Akwatia produces approximately 90 per cent of Ghana's production. Smaller production areas are found at Tarkwa and around the Volta river near the Togo border.

G. Data and analysis

154. The Group visited PMMC in Accra in May 2006 to obtain production figures of rough diamonds in Ghana since 2000; export figures of rough diamonds since 2000; a current list of the licensed companies in Accra (LBC) and a list of all the licensed buyer agencies in Ghana (LBA) since 2003.

Table 7

Ghana exports

Year	*Volume in cts*	*Value in US$*	*Average price/ct $*
2000	626 840.00	10 630 000.00	16.95
2001	870 490.00	18 510 000.00	21.26
2002	969 120.00	20 240 000.00	20.88
2003	916 688.43	21 781 813.51	23.76
2004	920 275.24	26 323 083.66	28.60
2005	1 013 615.78	33 878 145.32	33.42
2006 (first quarter)	316 626.02	10 524 229.92	33.23

Source: KPCS, PMMC, Ghana Minerals Commission and GCD Ltd.

155. According to the figures above, Ghana's diamond export profile changed dramatically between 2000 and 2005. Export levels increased 60 per cent with a 210 per cent increase in export value and a 100 per cent increase in average price per carat.

156. According to Ghana's Minerals Commission production since 1980 has been below one million carats. In 2005, the volume once more peaked to over one million carats which is surprising given that diamonds are a non-renewable resource and a pattern of gradual decline was forecast because of the lack of discoveries of new deposits. The GCD director confirmed to the Group that the production of GCD had declined owing to exhaustion of the Akwatia reserves and the deterioration of mechanized equipment. It is difficult to imagine that production levels of artisanal miners are unaffected by the exhaustion of the deposits.

157. The Group believes diamonds from Liberia (under a Security Council diamond ban since May 2001), and from conflict ridden Côte d'Ivoire since late 2002 better explain the increased export figures of diamonds from Ghana.

158. The increase in the total value and the average price per carat is dramatic. According to a brochure distributed by PMMC, Ghana diamonds are described as generally small in size and mainly industrial, only 10 to 15 per cent of them are of

gem quality for use in jewellery production. Gem diamonds sized one carat and above are few and may not be available in commercial quantities. This would make it relatively difficult to smuggle in and launder high quality gem stones from neighbouring countries. A reasonable explanation for the increase in the value of the Ghanaian diamonds could be that Ivorian rough diamonds are entering the Ghanaian market because they are similar in size but higher in quality and thus value.

159. In July 2006, the Group met with PMMC for a second time to discuss the possibility that the Ghanaian diamond supply chain has been contaminated with conflict diamonds from embargoed States. PMMC replied that they did not believe their system had been corrupted by diamonds of other origins but conceded that they could not prove their systems' integrity either. Increasing production and value volume was because Ghanaian diamonds that were previously smuggled into Côte d'Ivoire remained in Ghana following the Ivorian conflict, the Group was informed. PMMC also referred to the introduction of a bank transaction system through the Bank of Ghana to pay local buyers in local currency in order to encourage them to export through PMMC (because they did not lose money on the exchange rate). PMMC also believed their open market system contributed to buyers getting higher prices for their diamonds.

160. PMMC relies on their evaluators to inspect the goods for conflict diamonds before they leave Ghana and informed the Group that since 2003 their evaluators reported five shipments of suspicious origin. PMMC had opted not to investigate these suspicious shipments and returned all diamonds to their owner. No reports were made and no further action was taken, in spite of the high risk that conflict diamonds could be returned into the supply chain.

161. The Group believes that Ghana's diamond supply chain is very vulnerable to penetration from diamonds of other origin because:

- The internal control system in Ghana on the Licensed Buyer Agencies is highly ineffective. PMCC has only registered 19 names of buyers (see annex IX). From 2003 till 2005 a yearly average of 70 buyers "officially" sold rough diamonds to the LBCs (see annex X). It is incomprehensible that PMMC allows unregistered persons to sell thousands of carats of rough diamonds without a LBA license. It is even more difficult to understand that PMMC is not in the position to claim its $200 (price of a LBA license) from these sellers since some of them are paid hundreds of thousands of United States dollars through the PMMC financial transaction system.

- There is no credible geological diamond production estimate available for Ghana according to the Ghana Mineral Commission Chief Inspector of Mines. Production data appears to be based on the export data provided by PMMC, rather then on an independent source of data collected at the mining sites in Ghana. This indicates again a deficiency in internal controls, since if production is not independently recorded at source, statistical data cannot be used to check that Ghanaian exports are derived from Ghanaian production. The Group twice visited Akwatia, and its so-called "Belgian Market" for diamonds. During the visit the Group was offered rough diamonds for purchase. The vendors could not provide a valid mining or buying license.

- Important buyers of Ivorian rough diamonds relocated their business to Ghana following the outbreak of the Ivorian conflict. Since 2003, two Belgian brokers

became the biggest exporters of Ghanaian rough diamonds for their Antwerp-based trading companies. The Group obtained information from the Federal Police in Antwerp that at least one of the Belgians remains regularly in telephone contact with several Ivorian numbers. Identity documents were found in the documentation of these Antwerp diamond companies that relate directly to the main dealers in Séguéla, such as Siaka Coulibaly and Sekou Sidibe. During a Group interview in Ghana, one of the Belgian brokers mentioned that in 2003 and 2004, he had seen Ivorian diamond dealers around PMMC in Accra, but has denied that he had bought from them.

162. During its visit in Israel, the Group observed a similar pattern with an Israeli diamond company that had dealt with Ivorian goods prior to the conflict and shifted their business to Ghana after the war started in Côte d'Ivoire. The director of an Israeli diamond company told the Group that he now imported goods from Ghana through a Belgian broker.

163. The weakness of the system and the difficulty that evaluators in Accra face to distinguish Ghanaian diamonds from diamonds of other origin, is illustrated by a shipment of diamonds inspected in July 2006 in Dubai in the United Arab Emirates. After a visit by the Group to Dubai, the Kimberley Process Authority has become vigilant about imports from Ghana. In July 2006 they intercepted a suspicious shipment from Ghana and after inspection and further investigation they concluded that the goods were not of Ghanaian origin although they had an official Kimberley certificate of origin of Ghana with them.

164. Ghana may look like the best diamond bourse in West Africa with a transparent, competitive and effective market system, but it is not able to avoid the problems that are associated with countries reliant on the artisanal production of alluvial diamonds. The lack of a good internal control system prior to export allows conflict diamonds to enter the market, undermining the whole Kimberley Process, and weakening the implementation of several control systems in the international trading centres because conflict diamonds are able to contaminate the system and undermine the very certificates that promise that the stones are "conflict free".

Box 4

Brazil faces diamond internal control problems

In Brazil there was a scandal recently about smuggled diamonds with fraudulent Kimberley certificates. In July 2006 the Group visited Belo Horizonte, and met a joint task force of Brazil's Federal Prosecutors office, Federal Police and Internal Revenue Service, and the Ministry of Mines at the National Department for the Production of Minerals. At this meeting the Group was informed that these smuggled diamonds came partly from domestic garimpeiro production, partly from Indian reserves where diamond mining is outlawed, and partly from Africa.

From the evidence presented the Group concluded that there is no hard evidence to prove that African diamonds, and in particular Ivorian diamonds, are smuggled into Brazil and have entered the Brazilian supply chain. In February 2006 Brazil suspended itself from the Kimberley Process Certificate Scheme.

A key problem that Brazil faces is a lack of internal control. Most Brazilian production is in the hands of unlicensed and unregistered garimpeiros or hand-miners. The Brazilian investigation shows that they have no control over the illegal mining in the Indian reserves and that Brazil needs to improve its internal controls to avoid the same problems as seen in many African countries

H. Internal controls

165. The findings of this Group demonstrate that the existing systems in Côte d'Ivoire, Ghana and Brazil do not provide any certainty as to the real origin of diamonds and cannot exclude that conflict diamonds enter the legitimate trade. In order to avoid this, the Group believes that a better system of controls to enable verification of the origin of diamonds prior to the issue of the Kimberley Process certificate for export is important.

166. In its search for systems that are already developed in the market, the Group noted that there are several software programmes with tools that allow States to install good internal control systems with a monitoring mechanism. These could improve the registration of all the actors involved in rough diamond production, the location of mines, the sales registration and the export registration.

167. Countries with mainly artisanal diamond production, often have paper-based control regimes for identifying the actors, buyers and miners. Several reviews or audits have revealed that these controls are inadequate. A computerized registration of all persons involved in the trade and permit chain would improve the system and could be centrally monitored.

168. Together with registration, such a programme could connect the registered persons to a specific area, sector or zone in which he or she is allowed to trade, buy or possess diamonds. The location could be divided into different sectors, a village in an artisanal mining area, or a specific industrial mine in exploration, or even a specific pit.

169. Sales registration is another tool that could track diamonds from the point of origin, and could be installed in every buying office to register the purchase of diamonds. The result would be that every diamond purchase that goes through an official buying system is traceable and held on record. This allows a day-to-day monitoring of the internal trade in rough diamonds, as well as overall weekly, monthly or yearly reporting. Changes in trading patterns could be tracked as they arise.

170. Export registration is also important and could include registering all shipments of diamond exports with quality, quantity and value enabling a detailed statistical profile. This last step is actually already implemented under the requirements of the Kimberley Process Certificate Scheme but needs to be linked with the sales registration and further monitored.

I. International trading centres

171. Once rough diamonds arrive at international trading centres, it is even more difficult to intercept conflict diamonds. Trading centres also have a responsibility to stop the illicit trade of conflict diamonds. After a study of the most significant global importers of rough diamonds from West Africa, the Group decided to investigate the entry points of the European Union (Antwerp), the United Arab Emirates (Dubai), Israel (Tel Aviv) and Lebanon (Beirut).

172. Since the introduction in 2003 of the Kimberley Process Certificate Scheme into the global markets, most of these trading centres have implemented similar methods to control rough diamond imports. During visits to these markets by the Group, it became apparent that there remained significant variability among the control systems. Table 8 is a summary of the findings.

Table 8
Measures taken by international rough diamond trading centres

	European Union (Belgium)	*United Arab Emirates*	*Israel*
1. Total import of rough diamonds in 2005 and total value? (source: KPCS statistics)	199 610 542 ct $14 541 060 194	36 965 655 ct $1 484 787 814	36 137 654 ct $6 177 958 962
2. Total import of rough diamonds from West-Africa[a] in 2005? (source: KPCS statistics)	1 579 078 ct $201 288 325	323 944 ct $11 422 077	265 460 ct $11 946 946
3. Number of listed diamond companies	1 798	200	2 000[b]
4. Is there an electronic system in place for import and export formalities?	Yes	Yes	Yes
5. Do they use tamperproof containers/plastic bags for import and export?	Yes	Yes	Yes
6. Do they have specialized and trained evaluators?	Yes	Yes	Yes
7. Number of evaluators?	19	3	3
8. Is there camera surveillance in the evaluation room?	Yes	Yes	Yes
9. Random choice of the evaluators?	Yes	No	Yes
10. Can the evaluator use his mobile phone during his inspection?[c]	No	No	Yes
11. Do the evaluators check physically each parcel of rough diamonds that is imported?	Yes (random)	Yes (random)	Yes (random)
12. Is there any control on origin during the import procedure by the evaluator?	No	No	No
13. Are the evaluators provided with an orientation concerning Security Council resolutions, new legislation, etc. ...?	Yes	Yes	Yes
14. Were incidents of suspicious origin reported by the evaluators and did this lead to judicial investigation?	No	No	No
	Yes	Yes	Yes
15. Was there already a review by KPCS?	September 2004	March 2004	May 2004
16. Was the result of the review satisfactory?	Yes	Yes	Yes

	European Union (Belgium)	*United Arab Emirates*	*Israel*
17. Did the authority publish the sanctions on Côte d'Ivoire in a public place/forum?	Yes	Yes	Yes
18. Are there already convictions by the court on violations of United Nations diamond sanctions?	Yes[d]	No	No

Source: Group of Experts on Côte d'Ivoire 2006.

[a] Selected countries for West Africa are Sierra Leone, Guinea, Ghana, Togo.

[b] This figure includes traders, manufacturers, jewellers.

[c] Use of mobile phones can lead to abuse if the sector can contact the evaluator prior to the evaluation of a diamond parcel/shipment.

[d] Conviction by the Antwerp Court in 2005 of a Lebanese criminal organization that violated the diamond sanctions on Sierra Leone (Security Council resolution 1306 (2000)).

173. The Group witnessed significant differences in the training, expertise and working method of the respective evaluators. Table 8 shows that if large quantities of rough diamonds are processed, it is impossible for a thorough control of diamond imports. The market generally puts significant pressure on the evaluators to process fast for business effectiveness.

174. In Dubai, diamond companies make an advance appointment with the evaluator to check their shipment, and this provides an opportunity for abuse by client and evaluator. The choice of an evaluator should be organized by the government and the client should not know in advance which evaluator is going to control the diamonds.

175. Although the Kimberley Process is about the fight against conflict diamonds, it is surprising that in the trading centres no procedures to check the origin of rough diamonds are in place. The Group recognizes that to determine a diamond's origin remains a subjective discipline. However, the Group believes a more effective mechanism whereby evaluators could report suspicious shipments to the authorities for further investigations by customs or police, is possible. Today only Antwerp (Belgium) has specialized investigators within the federal police and customs to conduct investigations against diamond fraud.

IX. Targeted measures on three Ivorians

176. In February 2006, the Security Council Committee designated three Ivorian nationals as subject to the travel ban and assets freeze imposed by paragraphs 9 and 11 of resolution 1572 (2004) for one year, and renewed by paragraph 1 of resolution 1643 (2005). They are:

- Eugène Ngoran Kouadio Djué (also known as Djoué N'goran Eugène Kouadio)
- Charles Blé Goudé (also known as Charles Goudé Blé)
- Martin Kouakou Fofie

177. These measures appear to have had a calming effect in February 2006. The Group believes that the targeting of a small group of individuals with clear criteria for their listing can be an effective tool for the Security Council Committee. The

targeting of more individuals without effective monitoring and compliance systems in place could be counter-productive.

178. The Group met with these three individuals in August 2006 in Côte d'Ivoire. It met with Mr. Djué on 8 August in Abidjan; Mr. Fofie on 9 August in Bouaké and Mr. Blé Goudé in Abidjan on 10 August. They were all courteous with the Group and answered all questions asked.

A. Assets freeze

179. The Group actively sought information about the finances of these three individuals and wrote to 15 banks based in Abidjan for details. Table 9 shows results to date of this exercise.

Table 9
Group letters to Abidjan banks

Banks	*Letter sent*	*Replied*	*Response*	*Remarks*
Banque Atlantique CI	25 May	13 June	No account or transactions	
BHCI	25 May	15 June	No account or transactions	
BIAO-CI-	25 May	18 July	Martin Kouakou Fofie has bank account, Act no: 31342542192 Deposited amount: 57 016 CFA, added interest: 1 083	Takes note of sanction
BICICI-CI	25 May	30 June	Referred the Group to BNP PARIBAS in Paris for necessary action	No reply
BNI	25 May	15 June	No account or transactions	
CITIGROUP	25 May	20 June	No account or transactions	
COBACI, CI	25 May	18 July	No account or transactions	
ECOBANK, CI	25 May	24 July	No account or transactions	
HSBC	25 May			No reply
SGBCI-CI	25 May	14 June	No account or transactions	
SIB — Société Ivoirienne de Banque	25 May	26 July	Eugène N'Goran Kouadio Djué has account opened on 9 August 2001 but has no transaction after 2002	
Standard Chartered	25 May			No reply
Bank of Africa	25 July	31 July	No account or transactions	
BFA	25 July	8 August	No account or transactions	
COOPEC	25 July			No reply

Source: Group of Experts.

180. The Group received two positive replies:

- The BIAO reported that Mr. Fofie has an account with their bank (No. 31342542192). Mr. Fofie confirmed to the Group that it is his account.
- SIB responded that Mr. Djué, had an account but no transaction since 2002.

181. CitiGroup replied that these three individuals have no banking transaction with their bank after February 2006 but despite repeated efforts the Group has been unsuccessful in establishing if there were accounts prior to sanctions. Citigroup maintains a branch in UNOCI headquarters in Abidjan.

182. The Group actively sought information from neighbouring States about what measures they had introduced to comply with these targeted sanctions. The Bank of Ghana is undertaking an audit.

183. Mr. Djué admitted the SIB account was his and denied holding an active bank account but confirmed that in the past had accounts with La Porte, Credit Lyonnais and BNP Paribas in France. Mr. Blé Goudé denied he maintained an active account but stated that he wished to have one in Côte d'Ivoire. Mr. Fofie admitted to having an account with SGBB in Ouagadougou and that the BIAO account in Abidjan was his.

B. Travel ban

184. The Group also tried to establish if these three individuals had travelled outside Côte d'Ivoire since February 2006. All three denied travelling outside Côte d'Ivoire since February 2006 although they said they would like to. They also confirmed some identity details to the Group which will be provided to the Security Council Committee.

185. In Accra, Bamako and Ouagadougou, the Group was informed that all their entry points had been provided with the list of targeted individuals. When the Group visited the Malian border post of Zegoua on 25 July 2006 and Yandere of Burkina Faso with Côte d'Ivoire on 7 July 2006, the immigration and Customs officials on duty at the time of inspection admitted they were not informed. The Group also visited the Liberian border post at Toe Town on 1 August 2006, the Guinean border post of Siranakoro on 27 July 2006 and Ghana's Elibou border on 5 August 2006 and obtained the same result.

186. In most cases it is apparent that the information about these measures has not been disseminated from the capital to local authorities. Interestingly the Ghanaian authorities at Elibou were aware of targeted Security Council sanctions on Liberian individuals. The Group presented a copy of the Côte d'Ivoire Committee list to the official in charge.

187. The Group wrote several letters to the Permanent Mission of Côte d'Ivoire in New York for information on what measures Ivorian Government has made to implement these measures. The letters and telephone call reminders have not been responded to.

C. Due process

188. All three individuals expressed their frustration that they heard about the targeted measures imposed upon them through the media and had not been provided details of the measures and the procedures until the Group met with them in August 2006. They also contested the targeting justification criteria. All three individuals wished to meet the Chairman of the Security Council Committee when he next visits Côte d'Ivoire to discuss this and issues relevant to their listing. Mr. Goudé Blé also wishes to maintain a bank account and wanted to know from the Security Council Committee how he was to provide for his daily subsistence if his funds were frozen.

X. Observations

189. The Group has not found evidence of gross violations of Security Council measures. There are a number of incidents that the Group believes do constitute violations and the Security Council Committee needs to urgently address them.

A. Arms embargo and related material

190. The Group has highlighted its concern about Burkina Faso end-user certificate 732 and recommends that the Committee urgently investigate this issue as the Group believes it is suspect and could be used to violate the sanctions.

191. The Group also recommends that the Committee request UNOCI to report to it on missing ammunition from Banbat-2. This ammunition was looted in January 2006 and possession of it could be a breach of sanctions. To avoid future unaccounted losses of munitions the Group recommends that UNOCI mark its ammunition.

192. The Group also recommends that UNOCI review the inspection process. The methodology, quality of inspections and follow-up are variable. This situation is not assisted by an opaque chain of command and that for 2006 embargo tasks were merged into a joint DDR-embargo cell.

193. There has also been surprisingly little feedback and direction from the Security Council Committee on the monthly embargo reports and this has contributed to a sense within UNOCI that all is fine. For example the BIVAC scanner in Abidjan port was not functional, and despite the Groups recommendations made in 2005 (see S/2005/699 and S/2006/204), only in July 2006 was an embargo consultant finally hired by UNOCI to assist customs inspections.

194. Maintaining the status quo is potentially hazardous as it undermines the reputation of the Security Council and if there is a serious deterioration of the peace process the monitoring system could be easily circumnavigated.

B. Provision of military assistance, advice and training

195. A pro-Government militia group, LIMA FS, led by the Sous-prefet Lieutenant Jean Oulai Delafosse, appears to still maintain Liberians in its ranks. The Group believes this is a violation of the sanctions regime and recommends that the

Committee urgently request details about this militia and its leadership from UNOCI, and the Government of Côte d'Ivoire.

196. The Group also recommends that UNOCI and UNMIL increase their coordinated patrolling of the Ivorian-Liberian border and UNOCI regularly visit sensitive locations such as the Kanhoubli forestry camp.

197. The Group has also verified that nationals of Belarus, the Russian Federation and probably Ukraine continue to provide hands-on assistance, advice and training to the FACI. In the case of Belarus the Group shows that there is an active contract in 2006 with a state company — an allegation that Belarus denied in 2005 to the Group.

198. The continued maintenance and testing of a FACI Mil Mi-24 Hind attack helicopter is particularly worrying. This aircraft potentially poses a significant threat to peace and security. UNOCI's permission in 2005 and 2006 to permit testing of this aircraft was not given in consultation with the Security Council Committee and contradicts advice provided by the Department of Peacekeeping Operations on 17 March 2005 following consultation with the Committee Secretariat in New York.

199. The Group recommends that such tests be discontinued as preparation and maintenance of the aircraft for the test is an embargo violation and the flight itself deepens mistrust between the parties. The use of the Puma helicopters, and especially TU-VHM, as rapid reaction transports blurs the distinction between the intended civilian use and a more direct military role in transporting government soldiers to flash points in Côte d'Ivoire.

C. Military financing from natural resources

200. The Group believes that under Prime Minister Banny there has been an improvement in financial disclosure and expenditure transparency and that this has contributed to a tightening of expenditures including for defence and security.

201. An attempt to pursue reports that the quasi-fiscal coffee and cocoa agencies had been used to channel funds for off-budget security expenditures made little progress. FDPCC refused to provide the Group with details of its revenue and expenditures and FRC did not respond to requests to meet the Group. The Security Council Committee should insist that these agencies cooperate with the Group and provide full disclosure.

D. Diamond embargo

202. The Group concludes that Ivorian rough diamonds are being exported in violation of the Security Council embargo. They initially transit Ghana and Mali prior to entering the international markets. The Group recommends that the Government of Ghana create a credible system of internal controls for rough diamonds.

203. The Group also recommends that the Government of Mali take effective measures to prevent illegal smuggling of diamonds into its territory from Côte d'Ivoire.

204. Ghana and Mali illustrate that poor internal controls are a regional problem and the Group recommends that this be made a key agenda item at the forthcoming Kimberley plenary meeting in Botswana in November 2006.

205. The International trading centres need also to introduce a better system of identifying suspicious shipments of rough diamonds. Such a system would need specialized personnel that can conduct proactive investigation and monitoring to prevent conflict diamonds entering the market.

206. The Group also investigated the production of Ivorian rough diamonds. The Group recommends that UNOCI in Séguéla conduct regular inspections of Bobi dyke and its vicinity to verify if heavy machinery is employed to exploit the diamond mines. The use of heavier machinery could increase the production and value of diamonds recovered from Bobi dyke. The Group noted that the only visit of this dyke during its mandate was on 25 April 2006, and follow-up by UNOCI has not been effective.

207. The offer by the Forces nouvelles to UNOCI to accompany a planned leadership-level enquiry into diamond production around Séguéla should also be taken up.

E. Targeted individuals

208. The targeting of three Ivorian individuals in February 2006 appeared at the time to have had a calming affect. The targeting of additional individuals by the Security Council Committee without effective monitoring and compliance systems in place by States neighbouring Côte d'Ivoire could be counter-productive. The Group found that neighbouring States had not disseminated information about the targeted three Ivorians to their local authorities at border posts at the time of the Group's inspection. As a matter of urgency the Security Council Committee should request all these States to provide details of how they are going to ensure that these measures are properly implemented.

209. All three individuals expressed their frustration that they heard about the targeted measures imposed upon them only through the media. The Chairman of the Security Council Committee may wish to meet these individuals when he next visits Côte d'Ivoire.

Annex I

Meetings and consultations

Belgium

Government

Ministry of Foreign affairs

Ministry of Economic Affairs

Ministry of Defence

Federal Police of Antwerp

Multilateral and bilateral agencies

European Commission

Kimberley Process

Private sector

High Diamond Council

Brazil

Government

Ministry of Foreign Affairs

Ministry of Mines and Energy

National Department for the Production of Minerals (DNPM)

Office of the Federal Prosecutor

Federal Police

Internal Revenue Service

Burkina Faso

Government

Ministère de la défense

Ministère des affaires etrangères et de la coopération régionale

Ministère des finances et du budget — Direction général des douanes

Direction général de l'aviation civile et de la météorologie

Commission nationale de lutte contre la prolifération des armes légères

Multilateral and bilateral agencies

Union economique et monétaire ouest africaine (UEMOA)

Agence pour la sécurité de la navigation aérienne en Afrique et à Madagascar (ASECNA)

UNDP

Canada

Multilateral and bilateral agencies

International Civil Aviation Organization (ICAO)

Côte d'Ivoire

Government

Ministère des mines et l'énergie — Departement des mines

Ministère des transports

Ministère des infrastructures économiques — Port autonome d'Abidjan

Port autonome de San Pedro — Société d'exploitation et de développement

Aéroportuaire aéronautique et météorologique (SODOEXAM)

Ministère Délégué auprès du Premier Ministre Chargé de l'economie et des finances. Direction générale des douanes

Hôtel Ivoire

Armed non-State actors

Forces nouvelles

Multilateral and bilateral agencies

European Commission

Licorne

ONUCI

Diplomatic entities

Embassy of the United States of America

Embassy of France

Private sector

Association professionnelle des sociétés cotonnières de Côte d'Ivoire

Intercoton

Ivoire Coton

Groupement professionnel des exportateurs de café et cacao (GEPEX)

Fonds de développement et de promotion des activités des producteurs de café et de cacao (FDPCC)

Société pour le développement minier de Côte d'Ivoire

Société des mines d'Ity (SMI)

COTECNA SA

BIVAC International

Sucaf

Sucrivoire

Egypt

Multilateral and bilateral agencies

Network Movement for Justice and Development (Sierra Leone)

France

Multilateral and bilateral agencies

Ministère des affaires étrangères

Centre d'études et de recherches internationales

Private sector

African Energy Intelligence

Gambia

Diplomatic entities

British High Commission

Multilateral and bilateral agencies

UNDP

Ghana

Government

Ministry of Foreign Affairs

Ministry of Lands Forestry and Mines

Precious Minerals Marketing Co. LTD (PMMC)

Minerals Commission

Bank of Ghana

Customs Excise and Preventive Service

Ghana Armed Forces

Ghana Civil Aviation Authority

Ghana Cocoa Board

Ghana Consolidated Diamond Ltd

Ghana Police Service

Multilateral and bilateral agencies

Kofi Annan International Peacekeeping Training Centre

African Security Dialogue and Research

Third World Network — Africa

UNDP

Private sector

Balaji Gemlust Company

Israel

Government

Ministry of Foreign Affairs

Ministry of Industry Trade and Labour

Private sector

Israel Diamond Exchange

Stuller Diamond

Rafexi Ltd

DWS Diamonds Ltd

Lebanon

Government

Ministry of Economy and Trade

Special Investigation Commission Fighting Money Laundering

Private sector

Syndicat des bijoutiers et des joailliers du Liban

Liberia

Government

Ministry of Foreign Affairs

Ministry of Internal Affairs

Ministry of Justice — Bureau of Immigration and Naturalization

Ministry of National Defence

National Security Agency

Diplomatic entities

British Consulate

Private sector

UMARCO

Multilateral and bilateral agencies

Archdiocese of Monrovia

UNMIL

Mali

Government

Ministère de la défense

Ministère des affaires étrangères et de coopération internationale — Centre d'etudes stratégiques

Direction générale de l'aviation civile et de la météorologie

Ministère de l'economie et des finances, Direction générale des douanes

Ministère de la justice

Ministère des mines de l'énergie et de l'eau — Direction nationale de la géologie et des mines

Diplomatic entities

Embassy of Belgium

Multilateral and bilateral agencies

UNDP

Netherlands

Multilateral and bilateral agencies

Office of the Prosecutor, International Criminal Court

Nigeria

Multilateral and bilateral agencies

ECOWAS

Portugal

Multilateral and bilateral agencies

Institute of Strategic and International Studies

Senegal

Diplomatic entities

Permanent Representation of Senegal to the International Civil Aviation Organization

Multilateral and bilateral agencies

Agence pour la sécurité de la navigation aérienne en Afrique et à Madagascar

South Africa

Government

Department of Foreign Affairs

Multilateral and bilateral agencies

Africa Institute of South Africa

Institute for Security Studies

South African Institute of International Affairs

UNDP

Private sector

Randgold Resources

Switzerland

Diplomatic entities

Permanent Representation of the Kingdom of the Netherlands to the Conference on Disarmament

Multilateral and bilateral agencies

Small arms survey

UNIDIR

Togo

Government

Présidence de la République

Ministère des affaires étrangères et de la coopération

Ministère du transport — Direction aviation civile

Ministère de la sécurité

Ministère de l'équipement- Direction général de la SALT

Ministère de la justice

Ministère du commerce

Ministère de la défense

Cour d'Appel de Lomé

Diplomatic entities

Ambassade de France

Multilateral and bilateral agencies

UNDP

Regional Centre for Peace and Disarmament

United Arab Emirates

Government

Ministry of Foreign Affairs

Dubai Diamond Exchange

Dubai Metals and Commodities Centre

General Civil Aviation Authority (GCAA)

United Kingdom of Great Britain and Northern Ireland

Government

Foreign and Commonwealth Office

House of Lords

HM Treasury

Multilateral and bilateral agencies

International Cocoa Organization

International Coffee Organization

Economist Intelligence Unit

Federation of Cocoa Commerce

Royal Institute of International Affairs (Chatham House)

Stockholm International Peace Research Institute

World Gold Council

Private sector

Cluff Gold Plc

United States of America

Government

Department of State

Multilateral and bilateral agencies

International Monetary Fund

World Bank

International Criminal Court

Center for Defense Information

Center for Strategic and International Studies

George Mason University

The Henry L. Stimson Center

Human Rights Watch

International Crisis Group

International Peace Academy

National Democratic Institute

United Nations

Department for Disarmament Affairs

Department of Peacekeeping Operations

Department of Political Affairs

Office of the Special Adviser on Africa

Permanent Missions

Belgium

Côte d'Ivoire

Lebanon

South Africa

Ukraine

Annex II

Burkina Faso end-user certificate No. 732

[illegible] DE LA SECURITE

CABINET

N° 2993.0123 /SECU/CAB

[illegible]

Ouagadougou, le 13 JUIL 2001

TO WHOM IT MAY CONCERN

END USER CERTIFICATE N0. 732

I the undersigned, Mr .Djibrill Yipènè BASSOLE, Minister of Security of Burkina Faso, hereby certify that IVH Trading Ltd from Hungary (Address: Margit Kârlt 43-45, 7 em, 8 Budapest) is authorized to supply the following equipment to the Government of Burkina Faso.

The equipment listed below is destined solely to the Armed and Security Forces of Burkina Faso.

N°	DESCRIPTION	QUANTITY
01	7.62 x 39mm Cartridge ord	200,000
02	9mm Cartridges	150,000
03	PG-7 A/P HE Rocket	200

The Government of Burkina Faso will not re-export the equipment listed below, or make available the purchased equipment to any third party without a written authorization made out the Authorities have issued the relative Export License.

I hereby state that Certificates of Acceptance and Delivery Verification will be issued by the undersigned, relatively to the equipment listed above, immediately upon its arrival to Burkina Faso./.

Djibrill Yipènè BASSOLE

Minister of Security
Burkina Faso

Annex III

UNOCI permission for Mi-24 flight tests (2005 and 2006)

UNITED NATIONS [redacted] NATIONS UNIES

UNITED NATIONS [redacted] NATIONS UNIES

UNOCI FORCE HEADQUARTER

MESSAGE

NUMBER /2006
DATE 21 FEBRUARY 2006
FROM FEQ/FC
TO CEMA/FDS

INFO
BENGBATT
KEMBATT
TOGOBATT
MILOBS SAN PEDRO
MILOBS ABIDJAN
MILOBS BOUAKE
MILOBS SEGUELA
LICORNE HQ
JOC
JMAC (CHIEF AND EMBARGO CELL)
UNPOL (EMBARGO, ABIDJAN AND SAN PEDRO)

FEQ COPY
DFC
COS
LO LICORNE
AIR OPS
OPS/DDR- EMBARGO

CLASS UN RESTRICTED
SUBJECT AUTORISATION DE VOL D'ENTRETIEN D'UN HELICOPTERE MI24
REF MESSAGE No 4899/EMA/CCIA/COND DU 21-02-05.

PRIMO
EN REPONSE AU MESSAGE DE REFERENCE, L'ONUCI DONNE SON ACCORD POUR LES VOLS D'ENTRETIEN MENSUELS SUR L'HELICOPTERE MI24, EN CONFIGURATION LIBRE TOUS LES DERNIERS MERCREDIS DU MOIS.

SECUNDO
POUR LE MOIS DE FEVRIER 2006,LE VOL AURA LIEU LE MERCREDI 22 FEVRIER 2006 .

TERTIO
LE VOL S'EFFECTUERA CONFORMEMENT AU MESSAGE DE REFERENCE DANS LE SECTEUR EST DE L'AEROPORT AUTOUR DE LA PISTE D'ATTERRISSAGE ET SANS DEPASSER GRAND BASSAM.

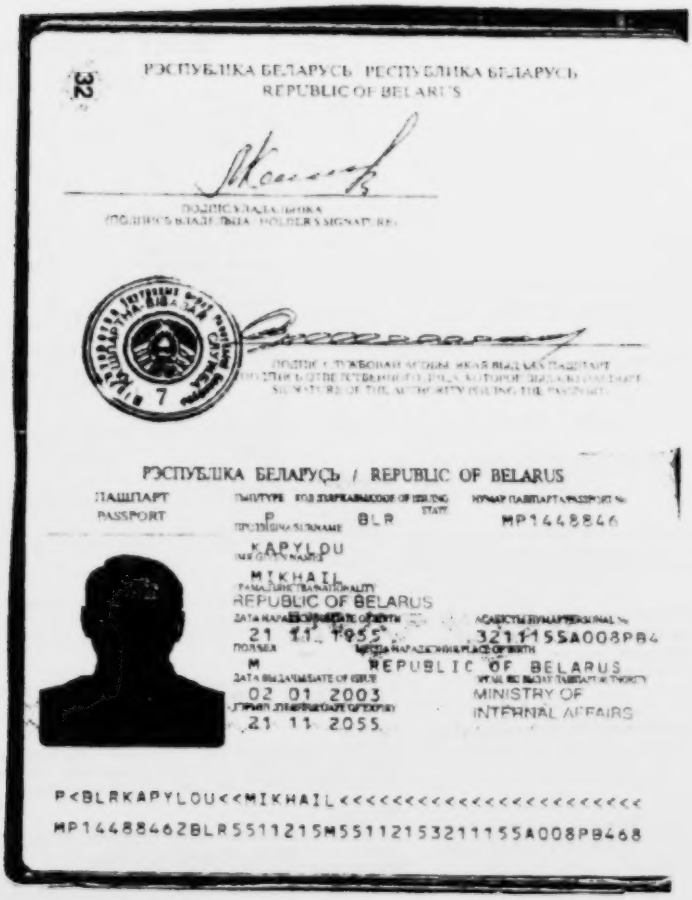
QUARTO
LES HEURES EXACTES ET LE PROFIL DU VOL SERONT FRECISES PAR MESSAGE A L'ONUCI (LICORNE POUR INFO).
BRAVO UNE INSPECTION SERA FAITE AVANT ET APRES CHAQUE VOL PAR UNE EQUIPE DE SURVEILLANCE DES FORCES IMPARTIALES.

QUINTO
EN CAS DE NON RESPECT DES MESURES EXCTEES CI-DESSUS L'ONUCI AGIRA EN CONFORMITE AVEC LES DECISIONS PRISES PAR LES INSTANCES INTERNATIONALES.

Général Abdoulaye FALL
Commandant la Force

Annex IV

Belarus Passport of Mikhail Kapylou



РЭСПУБЛІКА БЕЛАРУСЬ РЕСПУБЛИКА БЕЛАРУСЬ
REPUBLIC OF BELARUS

РЭСПУБЛІКА БЕЛАРУСЬ / REPUBLIC OF BELARUS

ПАШПАРТ
PASSPORT

P

BLR

MP1448846

KAPYLOU

MIKHAIL

REPUBLIC OF BELARUS

21 11 1955

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REPUBLIC OF BELARUS

02 01 2003

MINISTRY OF INTERNAL AFFAIRS

21 11 2055

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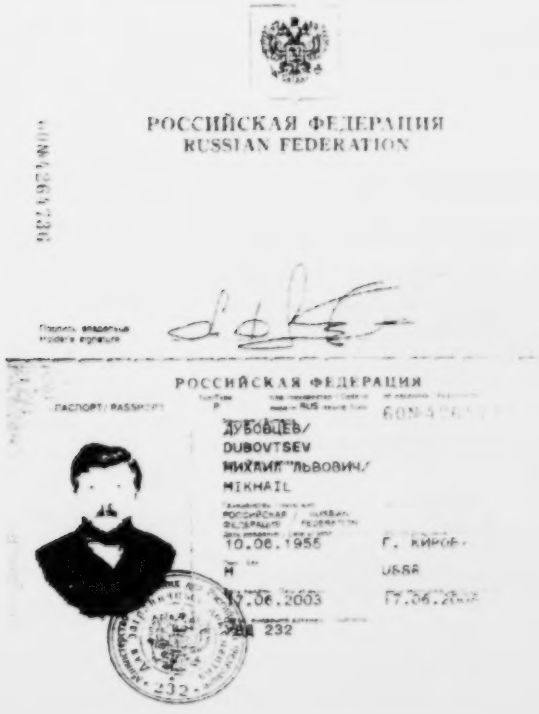
Annex V

Russian Federation Passport of Mikhail Dubostev


РОССИЙСКАЯ ФЕДЕРАЦИЯ
RUSSIAN FEDERATION

РОССИЙСКАЯ ФЕДЕРАЦИЯ

ДУБОВЦЕВ/
DUBOVTSEV
МИХАИЛ ЛЬВОВИЧ/
MIKHAIL

10.06.1955 Г. КИРОВ
M USSR
17.06.2003 17.06.20
232

Annex VI

Contract for advance payment of cocoa DUS

CONVENTION

ENTRE LES SOUSSIGNES

L'Etat de Côte d'Ivoire, représenté aux fins des présentes par Monsieur Paul Antoine BOHOUN BOUABRE, Ministre d'Etat, Ministre de l'Economie et des Finances,

Ci-après dénommé « L'Etat de Côte d'Ivoire »

Et

XXX

1) La Société « x x » est une société d'exportation de cacao et de café agréée pour Campagne 2005/06 et pour l'exécution de ses exportations de cacao, elle est soumise au prélèvement du DUS;
2) L'Etat de Côte d'Ivoire a fixé l'ensemble de la Société en particulier pour la campagne 2005/06 concernant les exportations de cacao dont le taux de FCFA XXX.XXX Aux pour le DUS.
3) Pour atténuer le déséquilibre temporaire de son budget entre les recettes attendues et les engagements budgétaires au niveau de ces dépenses, l'Etat a décidé de faire appel à des sources de financement que lui consent la loi de finances 2005 notamment des emprunts obligataires et autres prélèvements par anticipation de ses ressources fiscales;
4) La Société « x x » accepte son intérêt d'aider l'Etat à disposer immédiatement de ressources liquides afin de résorber son déficit budgétaire;
5) En conséquence les deux parties se sont rapprochées pour convenir des termes et modalités de cette opération dont les clauses sont définies ci-dessous.

Article 1 : Valeur des préambule et des annexes

Le préambule et les annexes ci-attachées aux présentes font la même valeur juridique que les autres clauses de la présente convention dont ils font partie pour en valider, son interprétation et en déduire.

Article 2 : Objet

Par les présentes, la société « x x » s'engage à payer par anticipation, les montants dus au titre du DUS sur x.000 tonnes de cacao à exporter

En contrepartie des financements reçus, l'Etat de Côte d'Ivoire consentira un abattement de FCFA x/kg., sur le taux en vigueur du DUS à la Société « x x ».

Article 3 : Spécifications de l'opération

3.1 Quantité

Cette convention porte sur xx.000 tonnes de cacao

3.2 Qualité

Le cacao, objet des présentes, devra correspondre aux normes réglementaires de qualité en vigueur pour la commercialisation du cacao.

3.3 Modalités d'exécution

L'exportation des x.000tns de cacao couverts par cette convention, devra être réalisée sur la période allant du 1er octobre 2005 au 28 février 2006.

Au cas où la Société « x x » se trouverait dans l'impossibilité d'exporter la totalité des x.000tns de cacao couverts par le crédit du DUS versé par anticipation, elle pourra à sa demande, transférer une partie du tonnage concerné, à une société importatrice agréée de ses choix.

3.4 Obligations des parties

La Société « x x » s'engage à verser au comptoir de la signature des présentes, la somme de FCFAxxxx dans un titre du DUS correspondant au taux de FCFA xx/kg pour une quantité de x .000 tns objet des présentes

Obligations de l'Etat de Côte d'Ivoire

L'Etat de Côte d'Ivoire s'engage à accorder l'abattement du DUS de FCFA xx/kg sur le taux actuel en vigueur de FCFA 250/kg à la Société « x x »

En cas de révision du taux du DUS en cours de la campagne, l'Etat devra maintenir l'avantage de l'abattement du DUS de FCFA xx/kg consenti aux termes des présentes.

L'Etat s'engage à faire délivrer aux sténodates de vraisemblance des sommes reçues par anticipation au titre du DUS pour xx.000tns dont la société est prise en charge.

Article 4 : Durée de la convention

La présente convention entre en vigueur dès sa signature conjointement aux prélèvements effectifs des versements non-indiqués et entrera à expiration le 28 février 2006.

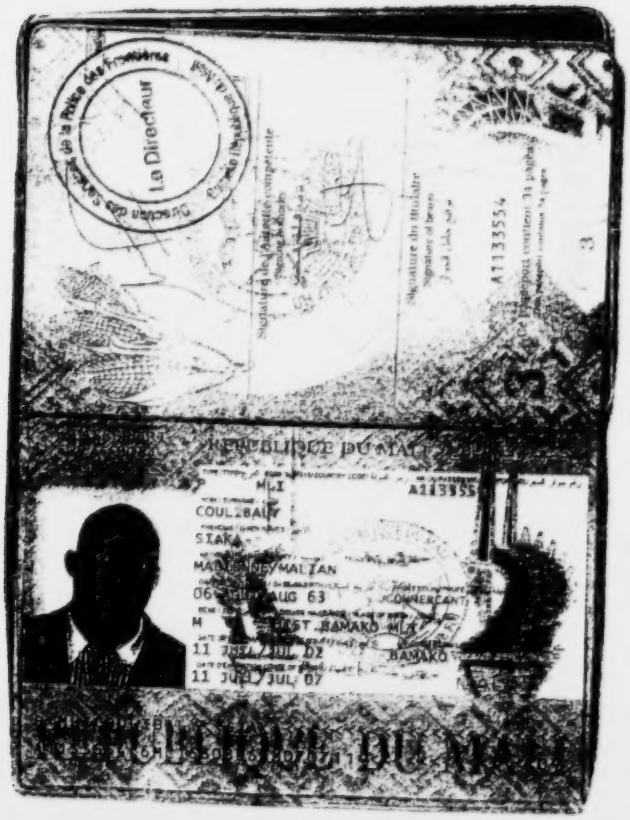
Article 5 : Règlement des différends

Les Parties s'engagent à régler à l'amiable tout litige ou réclamation résultant de l'interprétation ou l'exécution de la convention.

En cas d'échec, le litige sera tranché définitivement suivant le Règlement de Conciliation et d'Arbitrage de la Chambre de Commerce Internationale par un ou plusieurs arbitres nommés conformément à ce Règlement. Le siège de l'arbitrage est fixé à Paris. Le droit applicable est le droit ivoirien

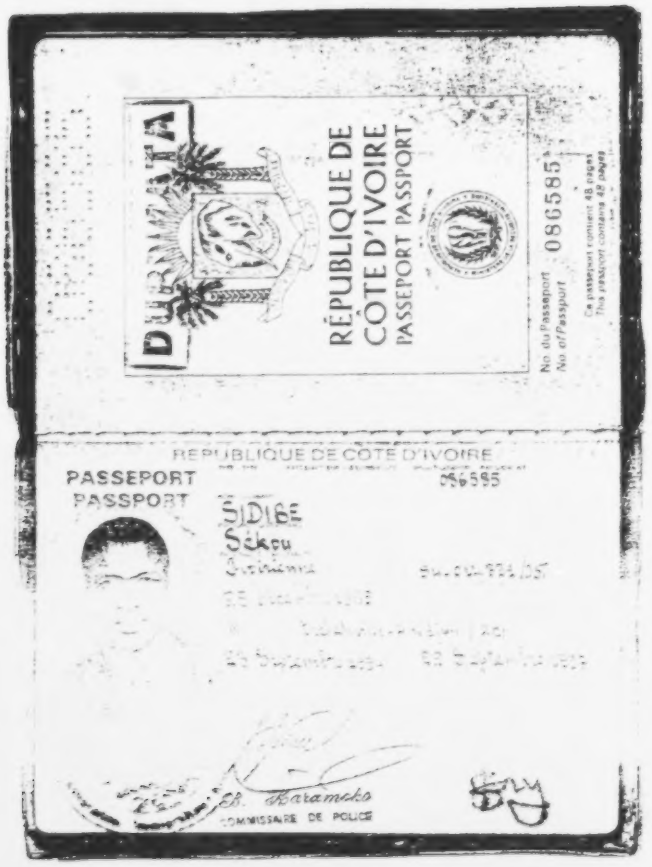
Annex VII

Mali passport of Siaka Coulibaly



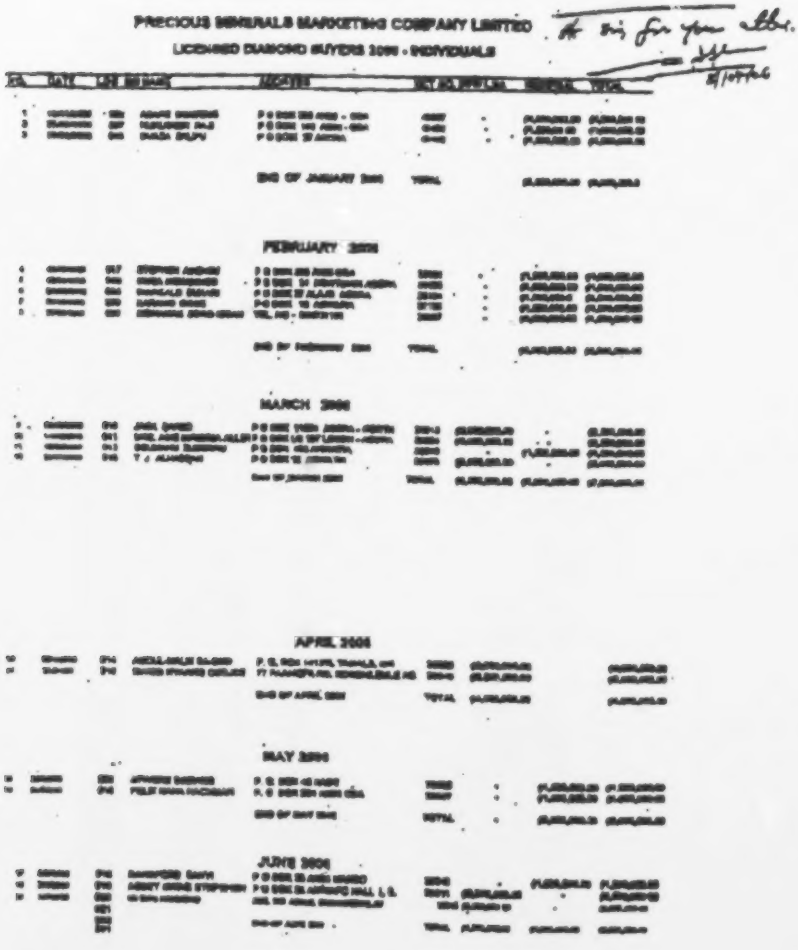
Annex VIII

Cote d'Ivoire Passport of Sekou Sidibe



Annex IX

List of diamond buyers in Ghana



Annex X

Ghana's Licensed Buyer Companies